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**TRANSCRIPT OF ALASKA FARM BILL FORUM WITH DEPUTY SECRETARY OF
AGRICULTURE CHUCK CONNER AND UNDER SECRETARY MARK REY,
NATURAL RESOURCES AND THE ENVIRONMENT AND MODERATOR DENNIS
MCMILLIAN, PRESIDENT, THE FORAKER GROUP IN PALMER, ALASKA
ON AUGUST 25, 2005**

SEC. CHUCK CONNER: Let me start us off by saying that it's truly a pleasure for me and Under Secretary Rey and our team to be here in Nebraska to experience this Farm Bill. Nebraska did I say? I better get my state straight. This is not Nebraska.

[Laughter.]

How about Alaska? When you work for Mike Johanns, former governor of Nebraska, you have a tendency to do that.

But we are really thrilled to be here in Alaska today.

And I'm delighted that our Secretary of Agriculture has asked Mark and me to come and do this event. He has pledged really to be an advocate for America's farming and ranching sector as well as our food and agricultural sector which I think includes both forestry as well as the fishing industries of extreme importance to this state.

And so we can assure you that we want to work with you to make the best in behalf of your producers and your growers and your people involved in these sectors.

At this press event today we have a special opportunity I think to sign an agreement that I think we're excited about, and because we know that really Alaskan producers and your people just in the short time we've been here, you are true stewards of the land in this state of Alaska.

And what we want to do today is, this year promote the fact that we have entered into conservation contracts at USDA that really have resulted in unprecedented levels of assistance to this state. The EQIP and the WHIP programs that each of you I think are familiar with, they're enhancing conservation practices in this state and promoting I think a long-term preservation for that next generation that is going to be around in the state of Alaska.

In line with our conservation partnerships with this state I am pleased to announce that we are going to enter into the first ever tribal conservation district in Alaska. This has been formed. We are here today to sign this agreement, and I am honored to sign the agreement in a few minutes with Jaison Sandifer. He is president of the Tyonek Native Corporation. This district is the result of a cooperative conservation agreement between USDA, the Tyonek Native Corporation, and the village of Tyonek.

And we are very excited about this opportunity today because Native Americans really have always valued and respected the land. They know that life begins in working in a harmonious way with nature. And we're honored to be a part of this partnership with them today. This is the 26th I believe tribal conservation district that we have organized with USDA. It is the first federally funded one here in the state of Alaska.

And so again we're just very, very excited about this opportunity. It's 40,000 acres; it's a large district that joins many of the Indian tribes that they have elected to form their own officially recognized district. And these districts will help them keep a close cooperative relationship with USDA and give them full access to the programs that we offer in behalf of conservation.

So without further ado on that, we're going to open this document, sign at the appropriate place, and proceed forward.

[Agreement is signed.]

Congratulations.

[Applause.]

SEC. CONNER: All right. Well with that I believe we will transition at this point into the Farm Bill Forum portion of our meeting. Again I encourage each of you to stick around and give us your input. We will begin that I believe shortly.

MODERATOR: I'm not from Washington, I'm not here to help you. I'm from Anchorage actually, and the president of the Foraker Group. When I got to Alaska about 15 years ago, my very first meeting with Elmer and Ed Rasmussen (sp) in Anchorage, I show up in a coat and tie. You know, you're going to go eat with bankers you're going to wear a coat and tie. Problem was, I had to get on a plane about 15 minutes after the meeting and go to Bethel for the first time.

So I show up in Bethel in a coat and tie, and people are just staring at me, saying what in the world is this guy up to? And I finally figured out, they told, they said when you show up in Bethel with a coat and tie you're either a G-man or an evangelical minister, one of the two. And so I don't know which I am. But.

We are welcoming you to the discussion today with the deputy Secretary and under Secretary about the Farm Bill. And we will get into the comment period in just a minute. But first we would ask that all of you with cell phones find them and turn them off or at least put them on silence so we don't get interrupted with that. And now if you would, please stand for the presentation of the colors. This will be done by American Legion Post No. 35.

[Colors are presented.]

MODERATOR: And now we will ask President Robert Anderson of Future Farmers of America, and 4-H member Britany Vaughan to come up and lead us in the Pledge.

[The Pledge of Allegiance is given.]

To start off, I'd like to introduce you to the two gentlemen here from Washington that are here to not only help you but listen to you. The first is Deputy Secretary of Agriculture Charles F. Conner, or Chuck Conner, who was sworn in as deputy Secretary last May. And, prior to that,

his tenure with USDA he served on the national Economic Council beginning in November of 2001 as special assistant to the President for Agricultural Trade and Food Assistance focusing primarily on Farm Bill issues. From '97 to 2001 he was the president of the Corn Refiners Association, a trade group, on the refining industry.

Prior to this he held several positions with the Senate Committee on Agriculture, Nutrition and Forestry. He has served as both the Majority staff director and the Minority staff director of the Senate Agriculture Nutrition and Forestry Committee; has worked as professional staff member for the committee from '85 to '87 and prior to the Senate committee worked for Senator Lugar.

He grew up in Benton County, Indiana. And that's still where his family owns the family farm. He received a BS degree in economics from Purdue University. He is married and has four children, and I think this is his first trip to Alaska, and he is going to go fish later.

I also would like to introduce you to Under Secretary for USDA Natural Resources and Environment, Mark Rey. Mark was sworn in as the under Secretary on October 2, 2001. And he oversees the Forest and Natural Resource Conservation Service which is of course one of the mission areas. And he works to prevent damage to natural resources and the environment, restore the resource base and promote good land management.

Prior to joining the Bush Administration he spent 18 years in the private sector as vice president of Forest Products for the American Forest and Paper Association, VP for public forestry programs for the National Forest Products Association, and he served in several positions for the American Paper Institute and the National Forest Products Association. He has also served as a staff member for the U.S. Committee on Energy and Natural Resources.

He is a native of Canton, Ohio, and holds a bachelors of Science and management and forestry from University of Michigan, Ann Arbor. So let's welcome our two guests from Washington.

[Applause.]

And Mark, have you been here before? Okay. He's been here a lot. Okay, good. I'd imagine with a forestry background maybe so.

Okay. So the next thing we're going to do is give you a little bit of the format of how this is supposed to work. First, this is really a session for you to be heard. It is being recorded so all the detail of what you are now getting ready to tell us about will be understood after the session. There are a series of six questions that we would like people to make public comment about. If you choose not to make public comment, there are ways you can go out into the lobby and do it in written format, and you can also, we'll give you some instructions later about how to do that on-line if that's the way you prefer to do it.

But today is really an attempt to try to have you speak up for what you've understood the Farm Bill to be about and how you see it impacting you here in Alaska. There are six questions that we're going to ask you to comment on, and you can comment on any of these six questions.

The first one is, how should farm policy address unintended consequences and ensure that such consequences do not discourage new farmers and the next generation of farmers from entering production agriculture?

The second question is, how should farm policy be designated to maximize U.S. competitiveness and our country's ability to effectively compete in the global markets?

The third question is, is current farm policy designated to effectively and fairly distribute assistance?

The fourth question would be, how can farm policy best achieve conservation and environmental goals?

The fifth question is, how can federal rural and farm programs provide effective assistance in rural areas?

The sixth question is, How should agricultural product, marketing and research-related issues be addressed in the next Farm Bill?

Mark and Chuck are going to listen to your comments, and so we're going to ask people to come up in some sort of order. You will have, regardless of previous instructions, three minutes to make your presentation. We're giving you an extra minute. So please be concise, know what it is you want to say, and try to get it across quickly. We will have a timing mechanism, and where is our light? Oh, right there, okay. It's just like a traffic light with if its red you got to be quiet.

So come up and speak, and you'll be getting a yellow light when you have about a minute or a minute and a half left. Then keep an eye out for the red light.

And the primary purpose for me to be here today in a suit is if you can't be quiet after the red light goes on, I have to say, please be quiet. Okay?

So is everybody kind of clear of the format and how we're going to do this?

Okay. I want to ask Jeff Werner to come up, and he would like to respond to question one. He's going to do this as kind of the template for the way we hope all of you can proceed after Jeff. Thank you, Jeff.

MR. JEFF WERNER: Thank you. Thank you for coming. I would like to address the first question at large. However my remarks will be relevant to all six questions for Alaska and the rest of the nation as well.

My name's Jeff Werner. I'm with the University of Alaska Fairbanks. I'm a research horticulturalist. I'm also the state advisor for Alaska State FFA.

Our nation is at risk from those who do not understand that agriculture contributes to our everyday life including the food, fiber and natural resources. Production agriculture is more than cows and plows. Considering the fields of biotechnology, agribusiness, food science, marketing and even homeland security production agriculture is a highly important technical and scientific industry.

The next farm policy needs to ensure that agriscience education is restored as a fundamental component of our public school system. Throughout Alaska there are only a handful of natural resource classes, but only one agriculture education program which has been in Palmer since the 1940s.

What happened to agriculture education in Delta Junction, North Pole, Fairbanks and the rest of Alaska and the rest of the nation? Local boards of education have deemed agriculture education nonessential or too expensive and have eliminated these programs. Along with the agriculture they have also eliminated the partner program of home economics which focused on the family values, food preparation and self-reliance.

The current funding source for America's agriculture education is through the federal Carl D. Perkins Vocational Act. Even with very little actually going toward agriculture, this funding is in jeopardy of being discontinued. If so, the first to go will be agriculture education.

It would be in the best interest of American agriculture to fund local natural resources and agriculture education programs in order to strengthen rural America and provide a foundation to strengthen families and communities and the U.S. position in global markets.

The American work ethic was founded in the sweat and tears of the pioneers, and we are now faced with the challenge to regain the work ethics utilizing today's technologies and continue the advancement of the sophisticated science-based production agricultural systems. Much like the U.S., Alaska is a truly a state wealthy with opportunities for inspiring young agriculturalists. However, if not given the opportunity for education, training and experience how can we expect to see anything less than status quo?

Thank you.

MODERATOR: Terrific. Everybody give him a great hand. This was perfect.

[Applause.]

If you notice, he was finished on the yellow light. We wanted just to do that to break the ice and get you into the room. First of all, all of you standing around the back there are plenty of rooms up on the front two or three rows unless your religion happens to be Baptist its fine if you come on up here. So we'd like too encourage everyone to please come up and sit down. Before we go to having additional comments, we'd like to ask Deputy Secretary and Under Secretary to make a few comments, and then they also would like to introduce comments from another distinguished person.

SEC. CONNER: Dennis, thank you very much. And I really do appreciate your willingness to step in the middle of this group and moderate for us and I really do appreciate that. I thank Under Secretary Rey for joining me up here today.

Just a few thank yous before we do get started with your comments, and that is the chief purpose of why we are here, to hear from you.

I do want to thank your governor of this great state, Frank Murkowski actually was the one who invited us specifically to come here. He asked us specifically to hold a forum on behalf of the Farm Bill and sent a letter to Secretary Johanns. And so we're quite honored to be asked by the governor to come here and hear your views on this issue.

I also want to thank Larry Devilbiss. If you're here, Larry, please raise your hand and give us a wave. Back in the corner. He's your director of the Division of Agriculture here in the state. Larry, thank you for being here.

Kate Williams I know is here. Kate, where are you? If she hasn't stepped away? She's hiding back there, but Kate is with the Washington staff of Senator Ted Stevens, knows a lot

about agriculture in this state. And we look forward to working with her more closely as we begin this Farm Bill process as well.

On that note I would just say that really we couldn't be here today if it wasn't for the great congressional representative that you guys have in Senator Stevens and Lisa Murkowski and of course Representative Don Young. We've had a brief tour here today, and certainly you understand in driving around this state the impact that these members of Congress have had upon this state. And I think that impact has been a very positive one. And they have certainly been tireless advocates for the fishing, forestry and agricultural industries in this state.

Dennis, again thank you. Thanks to the American Legion Post 35 for their efforts. Robert Anderson our state FFA president here in Alaska, and Britany Vaughan a member of the Pathfinder 4-H Club, thank you for your help as well as we attempt at the start of these sessions to give honor to our great country that we so much have the privilege to live in here today.

My appreciation to the organizations as well that helped us get the word out about this Forum -- Alaska Farm Bureau, Farmers Union, the National Grange, the Alaska Grange, United Fishermen of Alaska, Association of Conservation Districts all played an important role for us. Thank each one of you for what you have done in that way.

Mark and I were really honored when Secretary Johanns asked us to be the ones to come to Alaska to do this forum. He certainly sends his greetings. He is in Alabama today on trade related business, but he is also while there hosting a Farm Bill Forum in the state of Alabama as well. So we are reaching out to many, many different regions of this country. He has truly pledged to be an advocate for your industry, for not only the traditional agricultural crops but for fishing and forestry sectors as well in his role as your Secretary of Agriculture. And I can assure you that he is doing what he can to expand markets for your products that are produced here in Alaska.

This is of great importance to the state of Alaska, and I know Frank Murkowski your governor is working to open doors for trade and commerce for these Alaskan resources and the products you produce. And we really do appreciate that work.

This state that counts the beauty, the wonder and the abundance of natural resources among its most important aspects-- I think it's fitting that we have this forum here. It's fitting that we focus specifically on some of the conservation aspects as well.

As some of you know and as Dennis mentioned in his opening remarks, I grew up on a farm. And I think I understand some of the challenges facing family farms and those involved in family food-related businesses. That's one of the reasons I'm thankful to be here in Alaska.

After this Forum I'll be headed to the Alaska State Fair later on where I'll have the honor of announcing the Farm Family of the Year Award for the state of Nebraska. And it's again my pleasure --

[Laughter.]

Nebraska? Boy, you guys. Please don't take this offensively. I'm from Indiana. I work for a former governor of Nebraska, so it must -- I must be trying to reach out to him today in some way. Alaska. And I promise I will try and not do that again.

My goodness. Okay. Moving right along.

You've got unique problems, and we've heard about some of these problems today. And this will be a different Farm Forum than I think we have had in other states. You don't appreciate the size of this state until you've just traveled a little bit like I have today. You know, challenges of, for example, getting a veterinarian for your livestock or just simply the challenges of the additional cost that's associated with being involved in production up here-- these are unique challenges, and we need to factor these into our Farm Bill debate as we go forward because I'm not certain that's been done very well in the past. I'm not certain your interests have been quite at the forefront as perhaps they should going forward.

This is our tenth Farm Bill Forum. We have Secretary Johanns, Under Secretary Rey and myself -- we've been in Tennessee, North Dakota, Minnesota, Wisconsin, Iowa, California, Pennsylvania, Indiana, Wyoming and now Alabama. And we are on a nationwide listening tour for this purpose, and we are really I think learning lots at these forums.

This is our opportunity to stay connected with you and to make sure it's not just sort of the people inside Washington that are providing the input on this next Farm Bill. That would not be right, and we feel it's very, very important to be out here with you.

I'm not the only one excited about these tours. President Bush is following the development of this Farm Bill very, very closely. He is a great friend of American agriculture. He has a heart for farmers and ranchers and all aspects of the food industry. And so if you guys will indulge us just a minute we would like to play a taped message from the President to welcome us to this Forum-- if we've got the taped message.

Okay. We do not have the taped message. I can tell you the President again in this message just expresses his strong excitement. You know the President comes under some criticism for being outside of Washington a lot. I can assure you he believes very, very strongly it is important to get outside of Washington and to hear people and that was the point he makes in this message that we've been playing at each one of the Farm Bill Forums. He encourages you to give us your input and promises that we will take it into consideration.

Important point. I've stressed it once but I need to say it again -- we are here to listen to your ideas and your opinions. This is not an opportunity for Mark and I to have a whole lot to say back and forth to you. We are on this listening session to hear your point of views. We can always have a forum in Washington to stand up and say what we think about things.

But again, this is our opportunity to be with you, to hear what is working in Alaska and what is not. And from some of what I've heard today, we need to do some work to make sure these programs are specifically tailored towards your needs because there has been a tendency in the past to develop these things very, very much for the part of the country where I come from originally, Indiana and some of our southern regions. That's not right. We need to make sure as well that you guys get a fair opportunity to be participants in these programs.

We've got six questions that we're going to consider. Now if some of these questions may be highly relevant to Alaska, they may be not. The first question though I think is important to the state. It's important to us. And it's really the reason that we are doing what we're doing with these Farm Bill Forums. And that is, we're concerned about the next generation of farming. I think past Farm Bills have focused very, very much on what's good for farm, ranch, forestry next year kind of things.

And I'm not saying that's unimportant. At the same time too I think it's important we look forward a little bit and say, okay, what's good next year, but what's going to be important to bring

that next generation into this type of business, this line of business that we call food production, that we call farming, ranching, fishing, forestry, whatever the case may be?

I noticed in Alaska the average age of a person involved in food production in some way in your state is 58 years old. That's even a little bit higher than the national average, which is too high. And just 10 years ago that average age I believe was about 51 or 52. So that number is going up. We have an aging population in this business because new people are not coming in. That's not right. And we need to hear about what we can do to make sure there is a next generation, and that's the principle focus of our first question we've asked you about. How can we do this?

The second question deals with competitiveness, and this is a tough issue, it's a tough issue for all producers, but we just simply note for the record that 95 percent of the world's population does not reside under the U.S. flag. And there are a lot of people out there that need our products. How can we get our products, whether that's corn from Indiana or salmon from Alaska into the hands of the people who need it? I think our future and our ability to have profitability in the future probably depends upon how we solve that one question.

Our third question deals with farm program benefits. I know this is an issue where we are making an attempt I think to try and get our farm program benefits which are geared towards the Midwest section of the region of the country better suited to Alaska. They're not very suited. We're trying to get there. You actually have access to these programs this year for the first time. Let's talk about how we can make that better going forward with the new Farm Bill.

Our fourth question I'm going to turn over to Mark because it is a specific focus of this particular session, and that is dealing with our conservation of our natural resources. You have an incredible natural resource base in this state, and it sounds gratuitous for me to even say it because it's such a natural observation to make. But that doesn't come without a cost. And there are reasons that is going to continue in the future, and I think there are important questions to be considered on that that Mark is going to discuss.

The fifth question-- you have a lot of rural areas in the state of Alaska. And a lot of people residing in those rural areas. And many of our programs we have, whether it's sewer and water loans for rural areas, housing assistance, all these kinds of things are very, very tailored toward rural areas. But I'm not sure they're very tailored toward rural areas in Nebraska. And we need to look at that and make sure we're doing that properly.

And finally the sixth question deals with research. And we've talked a little bit about agriculture research today in terms of some of the natural pests that may be out there, some of the invasive species that are threatening this state. We need I believe to consider how a Farm Bill might help us move forward and develop these new technologies that are going to be necessary to protect ourselves going forward and for us to remain competitive.

So again, I just want to stress that my intention is to say very little throughout this forum. We're anxious to hear from you. Once I finally give up the mike here we're going to be anxious to hear what's on your minds.

So Mark, do you want to give them a footnote on conservation as well before we start?

SEC. MARK REY: Sure. As Chuck indicated I'm the under Secretary for Natural Resources and the Environment with jurisdiction over the Forest Service and the Natural Resources Conservation Service. My career has been spent working on conservation, a significant amount of that related to Alaska. During my tenure on this Energy and Natural

Resources Committee staff I had occasion to work for then-committee Chairman Senator Frank Murkowski as well as providing staff assistance to Senator Ted Stevens.

As you may know the Farm Bill is one mechanism that helps us to work on conservation. The 2002 Farm Bill was considered landmark legislation for conservation funding and for focusing on environmental issues. The conservation provisions of that bill have assisted farmers and ranchers in meeting environmental challenges on their lands. That Farm Bill, the 2002 bill, also simplified existing conservation programs and created new conservation programs all seeking to enhance the long-term quality of conservation on working farms, ranches and forestlands.

One of the new programs created by the 2002 Farm Bill (audio break) and related resources on tribal and private lands. This has been a successful program implemented since 2002 in a cooperative spirit. In 2005 by the end of this fiscal year, the end of next month, we will have awarded 12,700 contracts nationwide under the Conservation Security Program resulting in a long-term commitment of more than \$1 billion to conservation work over the next 10 years.

Today we are announcing the watersheds that are selected for the Conservation Security Program in 2006. We are announcing the identification and selection of 110 watersheds with at least one in all 50 states that will be eligible for 2006 Conservation Security Program funding.

The sign-up period will take place early in the fiscal year. These watersheds represent more than 120,000 of the nation's potentially eligible farms and ranches covering an additional 46 million acres that are evenly split between cropland and grazing land.

Here in Alaska two watersheds-- the Upper Kenai and the Anchorage watershed -- have been selected for eligibility for funding for this 2006 Conservation Security Program. This voluntary program recognizes farmers and ranchers for their ongoing stewardship activities on working agricultural lands.

The 2006 program will also include a renewable energy component for the first time. Eligible producers will receive compensation for converting to renewable energy fuel such as biodiesel and ethanol, for recycling 100 percent of on-farm lubricants, and for implementing energy production including wind, solar, geothermal and methane production.

The sign-up announcement for the 2006 program will be published in detail shortly in the Federal Register. Additional information on the program, with a map of the Fiscal Year 2006 watersheds and eligibility requirements, is featured on the Web at the Natural Resources Conservation Services' website which is WWW.NRCS.USDA.GOV.

As Chuck indicated, Secretary Johanns is in Alabama today as we speak conducting a Farm Bill Forum in that state as we are here with you in Alaska. As Chuck also indicated, the primary purpose of this forum is to hear from you, not for us to speak to you. So with that I'd be interested in hearing the next of our participants tell us what they think.

Thanks, Dennis.

MODERATOR: Thank you. Here is the process one more time. If you choose to not speak at the session there is a USDA table outside where you are more than welcome to ask questions or to deliver comments. You can also go to WWW.USDA.GOV and you can make comments on-line if that's the way you choose.

However, we are hoping that many of you want to make comments today so the Under Secretary and Deputy Secretary can hear the comments directly. We're going to hear as many comments as we can in the time allotted. But we are going to reserve a little time at the end of the session today so there can be some questions they could respond to.

But again, your comments need to be three minutes long, you need to introduce yourself, your community and how you feel what type of agriculture you're involved with. So there could be some connection to how that would relate to the Farm Bill. And you're supposed to respond to one of these questions and give some good feedback. It's being recorded, and I'd once again like to urge all of you guys standing in the back that we still have room up here in the front and we promise not to pick on you. So please come up.

Okay. The people will speak in the order they come to the mike, so we'd like people that want to make comments -- you can do it a few of you right now just stand up and get behind the mike and in that order we will be taking your comments.

Okay, we'll start with this gentleman.

MR. ERIC DOWNEY (sp): Thank you. It's great to go first because lots of other things to do and might have an opportunity to actually remember a few things I'm saying. My name's Eric Downey and I'm with the Alaska Manufacturing Extension Partnership. Thanks very much for coming out here. We really do appreciate this. And I'd like to commend the USDA for creating the Rural Internet Broadband Program. I recommend you continue that program in the 2007 Farm Bill.

Broadband program offers partial solutions for questions number two and five on competitiveness and rural assistance; 81 percent of U.S. workers are connected to broadband. I couldn't live without it, and you guys probably couldn't either. It opens up a whole new way of doing business.

I have a computer programmer out in Bethel. I've got a graphic designer down in Billingham, Washington. And my webmaster is over in Iola, Kansas. And so these are some of the ways that the Internet allows us to do business. And oh, all these guys charge me a lot of money. And so these cashflows out of my pocket and into rural America would not be possible without broadband Internet.

It's a powerful tool for removing some barriers to making a living in rural Alaska and outside rural America.

But broadband is scarce and prohibitively expensive in parts of rural Alaska. Telecom companies are not able to serve these small markets in a cost-effective manner, and so there's a service gap. And this gap creates an important role for government service in the delivery of broadband, at least temporarily until technology solves this problem and narrows the gap.

The Farm Bill is bridging the gap by putting broadband into Alaska villages where there is no Internet, and this is a very needed and worthy effort. Our company, the U.S. Department of Commerce National Institute of Standards and Technology, and the state of Alaska are following on the USDA's efforts. We're right behind you, we're establishing rural e-commerce centers in a variety of villages so locals can use the Internet to sell their home-based manufactured goods, their tourism services, their professional services, and their Alaskan native art.

But hardware is not enough. Training is the key to success. Without a history of Internet use in these communities, it really takes three elements to make the program work -- the

broadband, e-commerce centers, and entrepreneurship training. That's why we're providing the entrepreneurship training in skills development. If you are to make any changes in the '07 Farm Bill, we recommend that you open up the training component to non-telecommunications companies who can emphasize more on entrepreneurship.

Out in the lobby you may have seen there are some fine examples of native art that used to be sold generally to a village store, then to a wholesaler, then to a gallery, and finally to a customer. It's a standard distribution channel, but this channel often only about 10 percent of the final selling price comes back to the artist in the village. The Farm Bill coupled with our e-commerce program is opening up entirely new markets for this art which increases the overall demand.

I'm red already? Oh, boy. Okay. In summary, thank you guys very much.

MODERATOR: Thank you.

[Applause.]

MS. LEE HECINOVICH: Thank you. My name is Lee Hecinovich, and I represent the Cooperative Extension Service and 4-H within the Matsu (unclear) District and statewide. And I will address question number one, and I will also echo Jeff Werner's concern on education and continued funding for education.

We need to start with our kids at an early age and continue on. 4-H is over 100 years old and is also celebrating 75 years along with Extension of educating our Alaskans in a variety of different topics. But the heart of 4-H has always been the animals and agriculture. And if you go out to the fair this next couple weeks -- I've already been there several days so I apologize for my appearance, but you'll see that as 4-H expands into many areas whether it be computers or shooting sports, the heart has always been agriculture and animals. And you just can't ever separate it.

But please consider continuing to fund these, and the educational aspects, and also you need to be thinking about enhancing our collaborations with different agencies, working together, developing partnerships and mentorships whether within the agencies, schools or at various organizations, to keep our young people aware of what's going on, what their opportunities are and how to be best suited for what they're getting into. Thank you.

SEC. CONNER: Thank you. I was a 10-year 4-H member, and it was a very important part of my growing up.

MS. PAULA CULLENBERG: Thanks, and welcome to Alaska. My name is Paula Cullenberg. I'm an associate professor at the School of Fisheries and Ocean Sciences, University of Alaska, Fairbanks. I'm also the associate director of Alaska Sea Grant and the director of the Marine Advisory Program which is a statewide marine Extension Service. We have 14 Extension agents located in nine coastal communities in the state.

I'm also a Bristol Bay salmon fisherman for 15 years as well.

And a couple years ago we got closely involved in USDA activities when we were tasked with providing technical assistance to the Trade Adjustment Assistance Act in the state. And we ended up doing 250 workshops about the state for about 4,500 salmon fishermen, all the way from Ketchikan to Kotzebue north of the Arctic Circle -- talking about how to keep their salmon business sustainable.

We also did a survey of those fishermen, and we got about 2,500 responses and got a pretty clear indication that salmon fishermen in the state are determined to keep their industry viable. We have a very valuable wild resource here that I think salmon fishermen across the state are working very hard to maintain their markets in the face of global competition and the whole marketplace situation that we've been struggling with.

Recently I authored a paper with an economist for something called the Farm Bill Briefing Book for Congress on Wild Salmon Policy. And we looked at a number of policy decisions that have been in the state and with the federal government, and made some recommendations on things the Farm Bill and USDA might be able to facilitate salmon fishermen in the state.

Moving forward and just to read down a few of those-- first of all I think salmon needs to be accepted into the larger world of U.S. food processors and food producers. Acceptance of wild capture fisheries and aquaculture produced fish and shellfish as an important and vital contributor to America's diet would put participants on an even playing field with other food producers in our nation.

We'd like to see some quality incentives and disincentives. Price supports for chilled salmon which are handled properly could encourage fishermen to invest in refrigeration on-board. Adopt new handling standards that could produce consistent quality salmon which is definitely an issue in our state. Establishment of minimum product quality standards such as mandatory chilling.

Higher standards for both vessel and plant sanitation could improve the competitiveness of Alaska salmon particularly in demanding markets such as the EU. Risk mitigation tools which support production fluctuations and innovative changes to the industry. And we are very similar to farmers here. We certainly feel highs and lows in our production. Support for cooperative marketing efforts --

MODERATOR: Excuse me. You are red.

MS. CULLENBERG: Okay. And I have a copy of this that I'll leave on the table here. So thanks very much.

SEC. CONNER: Thank you very much.

MODERATOR: This is the way we turn all Democrats into Republicans. You are red.

[Laughter]

MR. BILL WALL (sp): Thank you. My name is Bill Wall. I'm the executive director of the Private Lands Wildlife Management Program under Alaska Village Initiatives.

First I'd like to thank Mark and the DC staff for working effectively with us to begin taking some of the programs under the Farm Bill to rural Alaska even more effectively relative to subsistence use of wildlife and fisheries. And also Bob Jones from here in the state and his state also have been very, very helpful and supportive as we began this process.

I have to tell you that it's a very exciting time, and we're looking forward to the next Farm Bill as well as we introduce these programs more effectively into rural Alaska.

With that I'm going to hit some bullet points that address the third, fourth and fifth questions I believe.

We would like to see the alignment of the definitions in policy regarding subsistence definitions and eligibility for Farm Bill programs for private and native corporation lands in rural Alaska. And I'll have a copy of this as well.

Fully recognize the unique needs of rural Alaska and the fact that the current Farm Bill programs are structured for the Lower 48 agriculture and need adaptation to rural Alaska. You mentioned that earlier, Chuck, and we appreciate that recognition.

Fully recognize the unique structure of ownership in rural Alaska and the use of rural Alaska private lands between tribes, corporations, communities and develop policy definitions and policy that fit rural Alaska private lands and subsistence economies such as the definition of "beginning farmer."

Develop a funding formula for regional state equity to increase funding to Alaska. Recognize that there are 44 million acres of eligible private lands in Alaska, and that's the size of the entire state of Washington.

Recognize the need and fund a culturally-based education and outreach program to rural Alaska landowners on programs and services under the Farm Bill that meets the unique needs of rural Alaska.

Recognize the need and fund technical assistance programs tailored to rural Alaska landowners' needs to for subsistence agriculture.

Increase funding for the WHIP program which most effectively fits rural Alaska relative to subsistence.

NRCS has historically provided very little funding in Alaska, and that's just based on the way the structure of the formula was done in the past. And we've seen tremendous strides forward in that, but historically there was very little. And much work remains to enhance conservation practices in private lands in Alaska.

Reduce and streamline the definitions for cost-share requirements for rural Alaska private lands. A high level of poverty and minimal local cash economics are insufficient for high-cost share regulations.

Provide funding and support for establishing and maintaining tribal conservation districts throughout Alaska. We appreciate the quickness in which the Secretary addressed this issue already, and we're very, very excited to continue that work in the future. So thank you very much.

MODERATOR: Time is up.

MR. WALL: Almost got there. I have the rest on paper. Thank you.

MODERATOR: Thank you. Tom?

MR. TOM HARRIS: Thank you very much. I am Tom Harris, president of Alaska Village Initiatives. It is an association of 180 village corporations, regional corporations and tribes representing some 100,000 Alaska citizens and U.S. citizens who happen to be Alaskan

native landowners. The question that I'd like to address though is one that affects all of us as Alaskans and Americans -- how should farm policy be designed to maximize U.S. competitiveness and our country's ability to effectively compete in global markets?

In the area of wildlife Alaska has fallen behind the rest of the nation in providing productive wildlife habitat for grazing animals such as the moose, elk, deer, goats, caribou, musk ox, buffalo and sheep. Recent research shows that in 2001 more grazing wildlife was harvested within 60 miles of the borders of Washington, DC than was harvested in Alaska. This new relationship between USDA and Alaska native landowners holds great promise for Alaska to meet all the subsistence and recreational needs of not just the rural Alaskans but every Alaskan citizen -- at the same time develop world-class wildlife recreational resources for the world market.

To give you an example of what this means, if Alaska were to meet, not exceed, just match the national average for out-of-state hunters that the Lower 48 enjoys, it would add \$30 million a year to the budget to the Alaska State Fish and Game.

Most rural Alaskans have reason to fear development such as gold mines, temper harvest oilfield development, because they bring new users with no resources to an already overburdened resource. USDA-NRCS we believe is the key. Bob Jones, when he came to the state of Alaska, I had to tell him that from our board's perspective he's the most important man to walk into the state in a long time because he's bringing with him you as an agency. And we miss you, believe me. We hope that this resource will allow rural Alaskan communities to welcome development instead of oppose it by reducing the fear and helping us restore and enhance Alaska's wildlife resource.

Thank you.

MODERATOR: Thank you, Tom. You're next.

MR. MIKE SHULTZ: Oh, all right. Thank you. I'd like to introduce myself. My name is Mike Shultz. I'm here as the president of the Alaska Farm Bureau. I'm a grain producer from Delta Junction, Alaska, about 300 miles from here. I'd like to welcome you folks, and I hope you enjoy your short visit here in Alaska and hope you find some interesting things to look at.

Brief explanation on what the Alaska Farm Bureau did over the summer months here. We scheduled several meetings. The purpose of the meetings were to give our members and farmers in different areas of the state a chance to give us ideas as to what they saw was important in upcoming discussion on the Farm Bill.

Some of the ideas that came out of that series of meetings I will read here shortly if time permits.

I've listed them out in order of your six questions you posed. And under the first question number one on the farm policy and unintended consequences and so on comments were, to continue to allow programs to be administered from the ground up through local representatives that have been elected by their peers such as the Soil and Water Conservation Districts and FSA County committees. We feel that's instrumental to making these programs work is to let those folks out in the area have some jurisdiction over what goes on with these programs.

Question number two, we don't have a state certified disease testing and quarantine facility; nor do we have a certified feed lot nor a port of entry in Alaska. A lot of this -- I'm trying to cram a lot into a few seconds here -- but a lot of this involves bringing cattle into the

state. It's really frustrated our whole situation here bringing in feedlot cattle, feedlot replacement cattle or replacement heifers for our dairy industry, the whole border situation, the mad cow disease problem. And these are components of the new regulations coming into effect now. So we could take half an hour just on that issue, but I'll move on.

Question number three-- make farm start loan program eligible for all commodities including hay to allow for hay storage structures. Second item that same question, make grass hay eligible for LDPs. Now I know how the LDP program works and it's probably a stretch there. There's no terminal market for grass hay, but we do have a lot of grass hay producers in the state, and I guess the main point is they have done it all on their own. There is no government support programs as you know for hay producers, and something that would resemble loan deficiency payments might be appropriate for them.

Restore wetland compliance exemption for any state that has less than 1 percent of land in the state in wetlands on privately owned land. Alaska has .8 percent. This is something that was in effect in past years --

MODERATOR: And I am also very sorry but --

MR. SHULTZ: Boy, those three minutes went fast!

MODERATOR: -- three minutes goes very -- but all the things that are written down I do hope that you leave them at the USDA desk or on-line or someplace because those are great comments. Thanks.

SEC. CONNER: Dennis, let me just say I appreciate the comments on the Canadian border. Too much of our day is given towards working on that one issue, and I can only imagine the greater impact that it probably has on the state of Alaska. You know, we believe the border should be reopened. I think there's no health or scientific reason why it should remain closed. So sometime over the next 12 months, 8 to 12 months it would be our intention to try and continue to move in that direction as we've demonstrated so far.

MODERATOR: And for everyone, I am noting when you're standing up at the mike. And so I have you in order of when you showed up. And if I don't know we'll figure out how we're going to do it. We'll flip a coin.

MR. SAM COTTON: Thank you. My name's Sam Cotton. I grew up here in the valley, but my folks were in the water wheel business, and we provided a lot of water wheels for farm families and irrigation. But I sort of wandered off the farm a bit and now I'm a commercial salmon fisherman. I also, like a lot of a salmon fisherman, have a day job. I work with the local government out in Southwest Alaska whose economy depends entirely on fish. So I wanted to address a couple of your questions on next generation competitiveness and benefits.

And I think fishermen and farmers have a lot in common as far as food production is concerned, as long as the farmers don't start farming salmon.

[Laughter]

Thank you. But we are in a similar boat as far as concerned about the next generation. I've got a couple boys that work on my boat with me. And I'm 58 years old; your average farmer I suppose. And I'm looking forward to somebody else getting into the business. And we appreciated the TAA program, the Trade Adjustment Assistance program that the fishermen were allowed to participate in.

But I was disappointed when the training that was offered was very clear they weren't going to allow any training that had anything to do with the fishing business. They wanted us to become watchmakers or some other, get involved in some other industry, because it just wasn't part of the program to train us to be more competitive in the fishing industry-- processing, marketing, other things that would help fishermen become more competitive.

The other thing about that particular program that astounded most of us and the logic of it escaped me was that the benefits that were allowed were based on volume rather than value. For example, you got I think it was 2 or 3 cents a pound for every pink salmon you caught and 2 or 3 cents a pound for red salmon you caught. This year's prices were about a nickel for pinks and about 90 cents for reds. So maybe you could compare it to a bale of hay and a pound of some other high-value farm product and see there wasn't any logic in that.

So we as fishermen appreciated participation in the program. We're working with the state of Alaska. The state's really made a strong effort to assist in the fishing industry; we've appreciated that very much and look forward to the Department of Agriculture taking a closer look at some of the training and other benefit programs that affect fishermen. Thank you.

MR. VICTOR MERCULIEF: My name is Victor Merculief. I'm from the Aleutian region. I represent the Island Herders Association Coalition, and it consists of some villages of Aleutians and also Nunivak Island and the Pribilof Islands where there's crab resources, resources for the Bering Sea are dwindling. We have a strong need to continue looking at doing cattle and reindeer operations on our islands. We operate off half a million acres of land plus more if the Fish and Wildlife Service will work with us.

The fencing funds that came down through NRCS and Farm Service Agency helped out a lot this year. And it's going to be very beneficial to us. We have the largest cattle operation in the state of Alaska in the Aleutians right now. We've got about 10,000 head of deer collectively. This is probably around question number five I suppose. We'd like to grow the herds in order to sustain our communities and help ourselves. For the 2006 Bill we'd like to see some changes made that would allow the reindeer to be treated amenable to cattle or like cattle when we put them through the slaughter facility. If someone could do that for us it would be appreciated.

We do need money for infrastructure. I have a briefing paper I'll leave with the lady for you. Thank you. Thank you.

MODERATOR: Thank you, Victor.

FEMALE: (woman speaks off-mike)

MODERATOR: I'm sorry. You've got your time. Thank you.

MS. CATHERINE INMAN: Hello. My name is Catherine Inman, and I'm the district manager at the Palmer Soil and Water Conservation District, so a special welcome. And I came here today to present a direct voice for those who are implementing these Farm Bill policies. I'd like to address one, three and four-- the need to engage new people in sustainable natural resource production industry.

(audio break)

-- list you look at one of the fastest 10 top-growing areas in the country. So in development growth and conservation are really coming together here in a very interesting and fast way.

The main programs of the Palmer District are in providing landowner services, working in close partnership with NRCS to our cooperating farmers. We also work in watershed education, again with great support from our partners at NRCS. We have formed a watershed coalition, and as I look around the room there are too many partners to even name. We're working with so many of the different public and private and individuals who are here.

We work in invasive plant management recently with support from the Forest Service to state and private forestry. And they've been a tremendous partner leading the charge for conservation districts across Alaska to form cooperative weed management areas locally. We have several of them across the state, and Palmer District just hired on a state-wide coordinator that's helping locally and statewide. So it will never be cheaper to implement prevention of invasive plant problems than it is right now in Alaska. We're learning so quickly about what's coming.

What I'd specifically like to speak to is farmland protection. It's been a big push that we have. We're going to have a display and petition at the fair. There's of course concern about losing farmland so rapidly to development, and we've really put together a coalition that's working on that. Specifically we'd like to see more funding in GRP since that can fund up to 100 percent of a conservation easement.

We do have landowners coming in the door who are very interested. The FREP program as well. But we've been struggling to meet that local cost match with our various setups, so we're running fast on that, we're getting interest building, and we definitely need more funding for GRP in the near future.

Education, of course undoubtedly one of the most important things that we do, and it overlaps into every part of our program. We want to get new young people with both the ability to afford to go into agriculture and other natural resource industry but to understand it and to really get a passion for natural resource science.

And again, we're one of the on-the-ground implementers, and I want to especially thank you for taking the time to listen to us today. Enjoy.

MR. TOM HEALY (sp): Hi. I'm Tom Healy. I'm a city manager from the city of Palmer. First of all, on behalf of Mayor Colmes (sp) and the City Council I'd like to welcome you to Palmer and hope your stay is productive. We appreciate the opportunity to comment on these USDA programs.

Palmer as you know is really the foundation of our agriculture is the foundation of what Palmer was built on. And from the Colony project in the '30s, more than 60 years the residents and officials of the city of Palmer and the area have done an excellent job in preparing for the needs of the citizens in developing the community from the ground up in terms of basic infrastructure.

I guess I'd want to comment on a local example we have of USDA's assistance, the utility programs, in terms of meeting environmental goals and community sustainability. Palmer's water and sewer system was developed, is a core system today's. We have a very extensive collection and distribution system. Good basic public utilities are the foundation of sound and sustainable development, and Palmer I think is a unique example of that.

Right now we're in sort of a historical level of growth in this area, and we are working with others to meet the demands of that growth. I might interject here too there were comments of preserving and conserving farmlands, where Palmer is also in the midst of revising its comprehensive plan. And this is a central issue to those discussions in terms of the future of farmlands.

Our local utility example is the Southwest Utility Extension Project. Initially we'll serve the construction of a new hospital about five miles south of town. This is a great location for a hospital; it just happened to be five miles from any municipal utility. So, but because of the work that had been done over the years in building a good utility system in Palmer, Palmer has the capacity to meet the demands of this large new investment that will serve our entire region.

Through the efforts of Senator Murkowski, the state of Alaska, the Secretary, the city of Palmer, our local USDA office, Bill Allen and his staff, USDA has provided more than half the funding for this utility extension project. And we appreciate that. I think this is a good example of these programs providing the basic utility systems in terms of assuring a good quality of life and the ability for communities to sustain themselves. The costs of public utilities are very high. And these programs are valuable in areas like Palmer. I also had an experience in a community in Southeast that had helped. So I appreciate that assistance.

MS. RONNIE SULLIVAN: Hi. My name's Ronnie Sullivan. I'm with Southern Region EMS Services. Our office is in Anchorage. But I'm here to talk about emergency medical services in all the rural communities across Alaska.

I'm speaking to question number five on your list on how these programs can provide effective assistance in rural communities. I want to speak especially to the importance of the special impact initiative in the community facilities program.

Emergency medical services are a vital part of a healthy community. They establish the first access to healthcare, the first response to medical and other emergencies. They're usually volunteer organizations and they serve very small populations, very reliant on the service due to the distance from other areas, weather, lack of hospitals and so on.

Here we are, a small hometown volunteer services. They have limited ways to get equipment, EMS equipment. Code Blue is a very successful program that was developed with the assistance of the USDA Rural Development program along with other partners including the state, private foundation and local funding. It's been tremendously successful, and so far has served 170 communities in Alaska.

The difference it's made has been that it's actually kept EMS services in some of these areas from closing their doors. I've worked with communities from almost every one of the previous speakers, and so I know you folks know what I'm talking about. These are better-equipped EMS squads now; they have improved morale; they understand there are people willing to listen to them and help with their issues. They are better equipped rural clinics, better utilization of the very limited resources. They provide better healthcare and better communities.

In closing I would like to thank USDA Rural Development program for their commitment to rural Alaska. I encourage your continued and increasing support for this important program. It's critical to the health and well-being of rural communities across Alaska. Thank you.

MS. ROBIN RICHARDSON: Hello. Welcome Mr. Conner and welcome back Mr. Rey. My name is Robin Richardson. And today I'd like to address the question number two, how would farm policy be designed to maximize U.S. competitiveness and our country's ability to effectively compete in global markets?

Yesterday I noticed an article in an international seafood publication. It was entitled, "USDA Gives Alaska Special Consideration." And it referred to your visit and the testimony today. Unfortunately these messages are broadcast around the world about food production in Alaska, and they're consistent. They have been references to emergency aid, subsidies, grant awards, and gross commercial errors in the public and private sectors.

I preface my following remarks with fact that I like many who have testified before you in Alaska and then those in Minnesota, California, Indiana, maybe Nebraska I don't know, have a great sense of personal pride. I desperately want the future headlines around the world to reflect Alaska to be a leader in food and food-based industries-- so much so that I am part of a new private company to facilitate this vision. It's called Global Food Collaborative Alaska, and it's located in Anchorage.

So how can the 2007 Farm Bill maximize our U.S. competitiveness? Well, I just completed a degree in global supply chain management at UAA, a Masters program, where we looked at everything in terms of systems. And as I read through the previous testimony in other states there seems to be a glaring omission of people testifying to the fact that this is a system and that it should be recognized as a system linking the systems that support agriculture and the related programs.

Each testimony refers to one element of that system, but no one has addressed how that system interrelates. It's my observation in countries that are maximizing their competitiveness that they have approached the industry as an entire system. Foreign trade agreements, education K through graduate, training, supply chain information technologies, research production marketing and all the associated policies are part of a grand scheme.

In countries where we compete with seafood -- for example Norway, Chile, Ireland, Iceland -- they have addressed the interdependence and synergies of these elements with the strategic and intentional objective. Although I fully understand market economies U.S. innovation independence, it is not apparent that our elements have a visible and flowing system.

In Alaska for example, we received multimillions of dollars to support marketing Alaskan seafood. We're grateful and there are indeed some great successes. However, we have no comprehensive educational programs that teach us the business of food. How can Alaska compete when our competitors are fully engaging their children in the business or science of food? The same goes with research. Millions of dollars go to research and development, but there's no mandatory or incentivized linkage to the commercial companies or applications.

Thank you for your time.

MR. CHIP TRINON (sp): First I'll say thank you very much for giving us the opportunity to come and testify. My name is Chip Trinon. I'm a commercial fisherman. I also happen to be I think the only commercial fisherman who's a member of the county committee, FSA county committee. And I was elected last year based on my commercial fishing participation.

I'll begin by addressing the first issue. I know these reading glasses notwithstanding we commercial fishermen are pretty young lot, a pretty youthful lot compared to farmers. Our average age is probably more like 50.

[Laughter]

But we still have a problem with the next generation of fishermen entering the fishery. And one thing we certainly need to be careful of are unintended consequences of support for one portion of an industry that ends up being at the expense of another portion of the industry. And I'll reference that to a Department of Commerce initiative to support fish farming in the federal waters.

That support may be coupled with potential USDA programs that those fish farms might be eligible for would certainly put capture fisheries, commercial fishermen, at a disadvantage. So I guess the point is, we want to make sure there aren't any unintended consequences of programs that would be supported by the Department of Agriculture that would be at the expense of the groups already there.

I'd like to just say that we need to have a broad view like the previous speaker mentioned, that this is a system, and as food producers we need to be part of that system. And we appreciate the chance to be involved with the Department of Agriculture and get some of our views known on that.

I also wanted to just express a view on conservation and environmental goals. I think they're most achievable when there's a viable economy in the area, and we need to make sure that commercial fishermen are supported because they want a few viable economic activities that can take place in many of these rural Alaska areas. So thank you very much for listening.

MR. STEVE DUNCAN (sp): My name is Steve Duncan. I live down off the outer Springer Loop system in a subdivision that used to be farmland. One of the things that I did want to speak about today is that we continue our support for the farmland protection.

I know we had some funds made available to us here this year to purchase conservation easements I believe on farmland, and those funds had to be turned back in because we couldn't come up with a matching amount of money that was needed, that we have people that are interested in that but we just don't have a way at this point with coming up with those matching funds.

One thing, we hope those funds will continue to be forthcoming and that maybe there's some way that we can help to maybe find a way to make it easier for the farmers up here to take advantage of that funding, maybe by reducing the number of acres necessary to set aside in a parcel or maybe by some way of reducing that matching grant requirement if there's any way possible to do that.

As Catherine Inman said awhile ago, this is one of the fastest growing areas in the whole country. During the first six months of this year there was over 100 new subdivisions platted in this borough in the core area around here, which includes a lot of farmland. We currently have a proposal for a Kinikarm (sp) Crossing, for a ferry system, for a bridge to come across Kinikarm over to Point McKinsey. There's a lot of farmland over there that will come under threat from the induced development that will follow the bridge when the bridge gets made. So I hope that you'll take that into consideration and keep those funds available for us.

I also am the Environmental Protection Agency's Aquatic Resource representative here in the Matsu Borough, and I just want to express appreciation for the leadership role that the Department of Agriculture through the NRCS has taken for producing tools that allow us to make sound land management use decisions. Particularly the soil surveys is a perfect example of that.

Making those tools available so that they can be shared by other state and federal agencies as well as local communities and local governments in a user-friendly, easily accessible format, some way that local developers and everybody that has an interest in this land-use management planning and developing areas can go to a single place and pull those tools up and sit down and look at them at the same time and help them make the decisions that need to be made with sensitive type resource areas.

You know, I'm particularly interested in wetlands and steams and things like that as the Aquatic Resource coordinator.

Another tool that was recently developed here as a result of NRCS cooperation was the low level, high resolution aerial photography, the road system here in the borough. Those things aren't quite available to all of us yet, and I would encourage you to help find a way to make those available to the general public in that user-friendly, easily-accessible format. Thank you very much.

MODERATOR: Thanks, Steve.

MR. DAVID SUTTON: Thank you for being here, gentlemen. I'm responding to question number five, how can federal, rural and farm --

MODERATOR: Please everybody, do introduce yourselves. We really want to know your names.

MR. SUTTON: David Sutton. Farm programs provide assistance in rural areas. I'm a volunteer board member of Sunshine Community Health Center. Sunshine Community Health Center's a federally-qualified health center offering comprehensive healthcare including oral and behavioral health to people living throughout the upper Susitna Valley of the Matanuska Susitna borough. Our organization was founded in 1986 through a grassroots efforts to bring healthcare to this remote rural region for the first time.

Sunshine Clinic opened its trailer clinic in 1987. Our service area stretches nearly 160 miles along both sides of the Alaska Parks Highway encompassing 12,250 square miles, an area larger than Maryland and Delaware combined.

Sunshine Community Health Center expanded services to the communities of Trapper Creek and Willow via a mobile clinic affectionately known as Mobie in 2002, 2003. And we opened a permanent satellite clinic in Willow in September 2003.

From 1994 until 2004 we were located in a duplex apartment building in a series of other small outbuildings and trailers. We had only four exam rooms, one of which was a converted closet. Our x-ray developer and viewer were located in our staff bathroom. Our lab was a converted kitchen.

In 2000 our board and senior management staff agreed that the most important strategic priority of our organization was to construct a new facility. We began our capital campaign in January 2001, and were graciously awarded a USDA Rural Development grant for \$2.56 million

in September 2001. That grant was the backbone of our capital project which totaled \$5 million. We completed construction and moved into our new 12,000 square foot facility in January 2004.

There are very few options and resources for communities such as ours to support major capital development. Rural communities in Alaska lack governmental infrastructure and tax bases. Investing in capital projects to build capacity in rural areas for primary telemedicine, telepsychiatry and telepharmacy should be a critical component of a federal assistance to rural areas. Investing dollars in carefully planned projects such as community health centers, construction and expanded health service delivery options not only expands healthcare resources for community members; it also supports economic growth for rural areas.

For example, we are now the third largest employer in the area, and we provide health insurance to our employees. Investing in primary care and health delivery capital projects should continue to be the priority of the USDA 2007 Farm Bill. Thank you.

MODERATOR: Thanks, Dave. Yes, sir.

MR. OMAR STRATMAN: Thank you. I'm Omar Stratman. I'm currently chairman of the state GLCI Committee. I'm also vice president of the Alaska Association of Conservation Districts. I have a cattle and horse ranch on Kodiak Island which is out in the middle of the Gulf of Alaska about 300 miles south of here. I've been in Alaska about 43 years, came from Colorado where my folks used to send a lot of feeder cattle back to Indiana.

Anyway I'd like to talk a little bit about question number one, How do we get new young faces in agriculture? It's a difficult task, and one of the tasks is education. There's currently about \$3 million being used by Alaska, Hawaii and I think a special appropriation through USDA. I don't know about Hawaii but now that money here in Alaska is being used in Western Alaska in the rural areas. I'd like to see that increased a lot so that we can see some of it used here in what we call the rail belt up and down the corridor here so we can increase and have more FFA and 4-H programs.

I came up through the FFA system, and I'd like to at this point tell you what works. If those of us with gray hair or no hair would find a young person who wants to get involved in agriculture and become their mentor and really help them get started, it can work. I would like to see more of these young farmer, Beginning Farmer programs. I think there's things that can be done. You're doing some things, but there's other things that can be done.

I'll tell you this example. We have a young man 20 years old on our district board of supervisors. And the reason he's there is because I knew he was interested. I wanted to nominate - we started to get ready for nominations and I got a nomination form, I got him to sign it, and I took it around and got people to recommend him. And behold, he was elected.

Well, you know, the same thing happened to me about 45 years ago in Colorado. So I knew how to do it. It wasn't my idea; I just was working from experience. So that's one of the things we need to do-- we need to help those folks, and we need to provide tools for them to use to get them back up.

Now just one or two more things. Wetlands CRP is very important to some of the growers, my neighbors over there. I don't use it, but I have neighbors that use it and it makes the difference. I see the red light's on. I'll sit down. Thank you for being here.

MODERATOR: Thank you. I would like to commend all of you in the front part of the room for being very good. But all of you folks at the back of the room, please keep your voices down. You're disturbing the questions and responses. Thank you.

MR. PAT SHIFLY (sp): I am Pat Shifly with Alaska Community Development Corporation. We're a nonprofit housing assistance agency, and I'd like to speak to item number five in support of USDA Rural Development housing programs.

Rural Development is a very important factor in affordable housing in rural Alaska. I'd like to speak specifically about the USDA mutual self-help housing program. In USDA Mutual Self-Help Housing Program a group of families and individuals work together under the guidance of a construction supervisor hired by a nonprofit housing developer.

These owner/builder groups perform at least 65 percent of the construction work on their homes. Those who participate in this program are unable to find a home they could afford or down payment funds for other housing. And IN the Mutual Self-Help Housing Program, self-help groups build each other's homes. Their labor becomes their down payment and also provides sweat equity, helping to make the homes affordable.

These groups share the common goal of home ownership and commit themselves to share in the work that will make that goal a reality. Alaska Community Development has partnered with USDA Rural Development for the completion of 16 Self-Help Homes in the Matsu borough with two builder groups so far. A third group of eight homes is underway with construction with a fourth group is scheduled for 2006. This program has helped 16 families so far realize the dream of home ownership. Home ownership through other means was not likely for most of the participants as 11 of the 16 met the very low income guidelines.

Through the assistance of USDA Rural Development Self-Help Housing Program these low and very low income families have realized the dream of home ownership. Through their hard work in this program, they have developed the pride in home ownership and developed the skills to maintain the homes. They have developed the sweat equity in their homes that has averaged over \$45,000 in the 16 homes built so far. There has also been job skills acquired through this process, and at least one of the participants has been working in construction based on the skills he learned during the home building process.

USDA Mutual Self-Help Housing Program is very beneficial and successful to home ownership program. The participant families now live in quality homes in quality neighborhoods. The program assists building homes and building communities, and I encourage continued support for this program. Thank you.

MODERATOR: Thank you. You're next. Yes.

MS. ROSE FOSDICK: Thank you. I am Rose Fosdick. I am from Nome, Alaska. I'd like to welcome you here to our beautiful state.

Our region, the Bering Straits region, has received many benefits on behalf or from the USDA. But I'm here especially to talk about the organization I work with. I work with Kawerak Reindeer Herders Association, and our association is a membership association of 21 reindeer herders on the Seward Peninsula.

I'd like to thank you for the EQIP funds that you have provided to our region. Very soon several of our reindeer herders will receive some support through EQIP in the way of conservation practices, keeping track of how the reindeer and other animals are using the range.

Each of the ranges are about 1 million acres. We have about 15 ranges on the Seward Peninsula. Also we have a range on the St. Lawrence Island.

The practices they will employ in the EQIP program are they're looking at the groundcover, especially looking at the lichen which is a feed that they use in the wintertime only. And we're very interested in how they're using the feed and therefore with funds from EQIP we're placing collars, satellite collars on reindeer and watching how they use the feed. Also looking in the summertime at the range resources, monitoring how well or how much the animals are using the feed.

I want to make sure that the forage quality is very good and make sure the pollution, there is no pollution in the way of groundcover reduction.

The EQIP program helps to fulfill our purpose which is to provide assistance in the development of a viable reindeer industry.

We also benefit from USDA's funding of the GLCI in which RHA is a member. We have 21 members.

I thank you very much for coming up here and listening to us. I encourage you to support processing plants throughout the state for (off-meat). I guess that's it. Oh, I thought you cut me off. I also want to make sure that research funds are available for things like foreign animal disease. We do have funds from USDA to do some CWD testing and also Johnes disease testing. I hope you will expand your offices and make your resources and staff and services available to the rural communities. Thanks.

MODERATOR: Thanks, Rose.

MR. ROB WELLS: My name is Rob Wells. I'm the Matsu Farm Bureau Chapter president. I'll mostly be addressing questions 4 and 6. I would urge you to continue to fully fund and expand your NRCS Grasslands Reserve Program, EQIP, WHIP, Resource Conservation and Development, and particularly your Farm and Ranch Protection Program.

Like others who have spoken here today, there is a growing awareness of the challenge. We are the largest state, but we have limited quality agricultural soils and they are predominantly within 100 miles of where you're sitting. And those are the soils that are coming under extreme pressure from development.

We are working to find the match for that program that you continue to fund, and even though we haven't taken advantage of it yet I would urge you to continue to fund it. And I think we will by raising awareness find a way to take advantage of it.

The other area I'd like to speak about is, I think there should be more emphasis in the next Farm Bill on specialty crops, not the major program crops but your fruits and vegetables. A few years ago the Department put out a one-time grant program for all the states to take advantage of to promote specialty crops. It was very effective, and I think it should be put in permanently in the next Farm Bill.

(audio break, tape 2, side 2)

-- long proposal for a value added ag processing facility. We don't have really any of those in the state in the Alaska. And it would greatly expand our market capabilities.

I would also think the next Farm Bill ought to have some cost of production programs specifically for Alaska and Hawaii. As you noted earlier our transportation challenges of getting fertilizer and feed and other inputs on the farm are severely hampered by our cost of production and special consideration I think should be given.

And that's all I have. Thank you for coming to Alaska.

MODERATOR: Thank you.

MR. ERIC WEBBER (sp): My name is Eric Webber. I moved in from the Alaskan Peninsula, Aleutian Islands about 1989 I moved my family, and I presently live in the Debutte (sp) area right down the road. I've commercial fished out of Falls Pass for the last 30 years.

I'd like to thank the U.S. Department of Agriculture for their efforts to promote wild Alaskan seafood. When fishermen were classified as agricultural producers, they received USDA support. The support has made a significant difference in my fishing business. I would encourage you today to continue and enhance the support in the new Farm Bill set to be implemented in 2007.

I ask that you look at supporting a wide range of programs within Alaska, from capital infrastructure projects to creating options for small family operations to fully utilize the economic value of their product.

I'm here today representing a typical independent Alaska commercial fishing family. It's people like me that make up the majority of Alaska state fisheries. Fisheries in Alaska are the largest employer. When you look at assistance and promotion of wild Alaskan seafoods, consider the needs of the typical independent Alaska commercial fisherman.

Thank you.

MODERATOR: Thanks, sir.

MR. MARK VINSEL: Hello. My name is Mark Vinsel, and I'm executive director for United Fishermen of Alaska. We're an umbrella organization of 31 member groups and individual fishermen from fisheries throughout Alaska. I welcome you all to Alaska, and thank you for coming. We appreciate the recognition that USDA has provided as fishermen as producers. We appreciate the TAA program, Country of Origin Labeling, and the Rural Development programs that benefit Alaska coastal communities.

I think as you'll see up here, I think the definition is the same up here but there's an order of magnitude that might be different from the Lower 48. And your programs help a lot in rural areas because what fishermen need are options to get the best value for their product, and with electricity, transportation and communications which many of your programs provide those fishermen have an option to sell their fish at a high price in a very special marketplace. That leaves many, many fishermen if not by far the vast majority of fishermen in our coastal communities still wanting for those kind of options.

Homeland Security Department has identified agriculture as a top national security priority. If that's the case, then maintaining Alaska's more than half of domestic fish production must also be a top national security priority. What we as fishermen ask for is consideration and a level playing field, consideration for any programs that might benefit fish farmers starting their operations or in their operations.

Encouraging the next generation of fishermen, question number one-- well, if aquaculture operations are going to be funded to start up, fishermen need similar programs for funding to either stay in business or for the next generation to enter the business.

As far as number two, competing on a level playing field, is our key to competing with imports. We have done many, many things with the state of Alaska. In our legislature we passed over 20 bills in the last three years relating to our fisheries. We've got marketing programs. USDA, you've helped with Country of Origin labeling. We really need to see Country of Origin labeling cover all seafood, not eliminating the canned seafood it currently makes up about half our salmon production.

We'd like to see salmon considered as a covered commodity in the Commodity Credit Corporation programs. I think the light is on and that's a good time to stop. I hope you enjoy Alaska's sport fishing while you're here, and I hope you enjoy Alaska's commercial fish eateries while you're in DC.

MR. PETER CRIMP (sp): Excuse me. Let me get my reading glasses on too. We all have all these 50ish people in the room. My name is Peter Crimp, and I'm representing Alaska Energy Authority, the state's energy office. I manage the Alternative Energy and Energy Efficiency Section. We're grateful for the support and funding that USDA has provided to rural Alaska for improving energy infrastructure and building local capacity.

Reliable and affordable energy is a basic requirement for economic development. However, rural Alaska which is dependent largely on diesel is having a tough time with prices that have risen about 36 percent in two years. Over the last 20 years my agency has worked in this area. We found, settled on a basic approach.

One, to maintain progress toward properly sized code-compliant bulk fuel facilities and power systems which are leading building blocks of communities. This includes reducing loss of fuel through leaks and spills and following good O&M procedures.

Using established priorities. We and our partners have upgraded around 60 percent of the bulk fuel facilities in the state and about 30 percent of the power systems, but there's still a lot more work to be done.

We need to continue training and business management and operation to protect their investments. Help villages remain credit-worthy.

Having a business plan and following the terms are huge steps toward economic sustainability.

Then finally, we need to reduce the export of cash from our communities for imported fuel. This means aggressive energy conservation measures and use of local energy sources. For instance, generating power and using commercially proven hybrid wind/diesel systems, using modern high efficiency electronic controlled generators, recovering waste heat to heat schools and provide ice for fish processing operations, exploiting local geothermal, hydro, coal and natural gas resources; then using our local biomass resources-- wood, fish wastes, ag residues and garbage as fuels and feedstocks for lumber drying, space heating, power biodiesel, ethanol and other products.

Alaska Energy Authority has a number of programs, substantial programs that address a lot of these, and we'd like to continue working with USDA. And I'll provide you more details in writing.

It looks like the yellow light's on so I'll just say, I'll put in a plug for the Rural Energy Conference which is coming up in Valdez September 20 through 22nd. Thanks.

MODERATOR: Thank you. Now I would like to ask everyone that's in line with the exception of the two next ones to have a seat. I know who's coming up next. We're going to take a break in about two seconds and then come back. So we'll have the presentation from the Alaska Native Arts Foundation. Is that what we're doing today? Hi, Carrie.

MS. CARRIE IRWIN BROWN: Thank you and welcome. My name is Carrie Irwin Brown. I'm Athabascan Indian from Nenana, and I'm the executive director for the Alaskan Native Arts Foundation. The foundation was created in 2002 and our main focus is to support Alaskan native arts, artists and cultural heritage.

And our primary vehicle for that has been through our website, AlaskanNativeArts.org. And since we've started that website and with a partnership with the Alaskan Manufacturing Extension Partnership in those e-commerce centers, we've developed relationships with over 500 artists across the state of Alaska. We now have over 1,300 items, pieces of art for sale through our website.

It's a very, very exciting time for us, and I want to thank you for your support of the broadband internet access. Without it, it just wouldn't be possible. I can't tell you how important that is to our rural villages and for creating economic development opportunities out there in the bush in particular.

With me is Renee Egres (sp). She's an Athapaskan from McGrath. Renee is one of our staff members as well as one of our featured artists. We've sold many of Renee's pieces through our website, and she's holding a piece that I want to talk just a little bit about. And I'm addressing questions 2 and 5 for you.

One of our big concerns in marketing native art and our real focus through the foundation is to expand new markets and open up new markets for Alaskan native artists. And what we've found of course is that really for many artists, and this piece in particular is by a gentleman named Brian Emus -- he's from Mekoryuk, a young fellow. And this particular piece is made of whalebone, has ivory and baleen (sp) on it. And of course many of the markets are restricted to us because of that reason. We just urge your support and your continuing support for the expansion of that so we can truly open up global markets to Alaskan native artists which are currently closed to them.

I might note that unlike the farming community, the Alaskan native community represents about 20 percent of the population of Alaska. Of that, more than 50 percent of us are under the age of 18, so we have a lot of youth and kids and people coming up behind us. We really want to support the up and coming Alaska native artists and continue to expand markets for them. Thank you for your support, and we ask for your continued support.

MODERATOR: Thank you. Okay, so after we're going to take a 10-minute break I will try to get your attention, and then just line back up behind the same mike and we'll make sure you're taken in order. Thank you.

[Recess. Off and on the record.]

MODERATOR: Please be quiet. We want to do the session up here. Thank you.

MR. MARK MASTELLER (sp): Hi. I want to thank you guys for coming and listening to us. My name is Mark Masteller, and I'm the director of the Alaska Center for Appropriate Technology. And I'll start off by just talking a little bit about mainly energy things. But I believe energy security and food security are intimately linked. And I'm really thrilled in the past few years that USDA has had these programs, like through Rural Development, for renewable energy programs for rural businesses and farmers, etcetera. So I really am thrilled with those programs and would like to see those continue.

I would also like to encourage expanded programs including wind, solar, biofuels, biogas digesters, and programs to increase energy efficiency. And I'm really glad I heard some of that this morning from the other gentleman there.

I believe these programs promote energy and food independence, rural economic growth including those small companies that can install these renewable energy systems, community self-reliance, potential cash income to farmers from energy sales and land rentals, and development of clean and leading-edge technologies such as small-scale distributed generation technologies.

So I really want to encourage those energy programs.

Along the lines of the specific questions that were given to us, for a numbers one and two, unintended consequences and discouraging new farming, etcetera, and maximizing our competitiveness -- to me I want to reinforce what some other folks said about, number one, the Farmland Trust Programs-- because if we're continually pushing farmers to other areas that aren't as good, there are marginal lands, we're going to be putting them at a disadvantage.

Also, you can't talk to any commercial fishermen without the conversation going almost immediately to the cost of energy. So again, back to those energy programs-- critical to our commercial fishing and any fishing business in Alaska.

I notice that this is the first year, 2005 is the first year the U.S. is a net food importer. So now we are importing food. I want to see us reverse that by encouraging import substitution, so programs that encourage import substitution on a local and regional scale.

One of these is of course increasing competitiveness through reducing energy costs through renewable energy, but also encouraging small farms, organic farms. There's a tremendous growth in the value of organically produced food, and Alaska is in a unique position to encourage a lot of small farms rather than these big operations. And oh, for fishing when it comes to questions 1 and 2, we just need to discourage the use of chemicals that are going to end up in our streams and oceans and make our fish not clean and not wild.

Okay. Question number 3, how can farm policy be effective and fairly distribute assistance? Actually I don't think it should be fair. I think we need to shift the focus to benefit small organic farms. For many, many years the focus has been on corporate businesses and agribusinesses, and that's where it's all happened. And now we need to shift it the other way. So I'm not necessarily looking for fairness; I'm looking for small, local, regional assistance really.

One idea I was thinking about on that is that we might need a program that would encourage food production in urban and suburban areas like community gardens, community supported agriculture, etcetera.

MODERATOR: That's it, Mark. Thank you.

MALE: (off-mike)

MR. SIG RESTAD: My name is Sig Restad. I'm a master in Northland Pioneer Grant No. 1 in Palmer and Ag chairman for the Alaska State Grange. And after 47 years about of working with USDA in Alaska it's a little hard to crystallize my comments to a couple of questions, but I will try.

On number 2, we only have really fisheries and forest products that are globally competitive at the present time. But I wish the Farm Bill would say competitiveness for Alaska products because Alaska and Hawaii because of its location is really in a competitive situation, not in a global competitive situation.

And as far as I'd like to see the Farm Bill take, assist with new crops and get them into the marketplace in the fastest way possible. And that includes crops that are unique to a location, and Alaska has some of those.

We have some of the best crops in the world that are raised here. And we just can't move them to where people would like them.

We have programs that sometimes impact upon other programs within the state. I think we ought to look closely that we don't develop a program, a conservation program or some other program, that very adversely affects another program in a local situation. We ought to look at that.

There is one and I'm going to look at it. It really doesn't address any particular question I don't believe, but if the Farm Bill could assist in the transfer of the Alaska fish processing policy and assist the handling of processing waste and make it profitable for processors to move from the grind and pump situation that we have now to a processing to fishmeal so we'd have a product of food for livestock and fertilizer, both organic matter, that would be really a terrific advantage for not only the local economy but the global economy as well.

What processing we have now is largely way out on the Aleutian chain, largely for the export market. We have some small processing plants, one on Kodiak and maybe another one, but is not available without great expense. It would really be an asset to the conservation of our tidewaters and it would be a benefit to industry as well. Almost every other country in the world does this, but --

MODERATOR: I'm sorry. We're out of time. Thank you.

MR. DOUG VOLLMAN: My name is Doug Vollman. I'm the district manager for the Kenny Lake Soil and Water Conservation District which is a rural area about 200 miles east of here along the Copper River. I'd like to thank you for giving us the opportunity to comment on this.

I'd like to address number 5, how can rural and farm programs provide effective assistance in rural areas. I'd like to reiterate what Otto Kelser was saying, that we don't need to centralize; we need more people in the fields. The NRCS, our partnership with them has been very good; it has gotten us the hands-on technical assistance to landowners. We want that program to continue.

Also the RC&D program has been very effective in our area. It's in its infancy but as we continue to grow we're trying to open up new farmland, so we need more cooperation between both federal agencies and state agencies in order to make this a reality as our better farmlands are

being lost to urban development. We need more farmlands opened in Alaska. We are attempting to do that in the Copper Valley, but it's a difficult situation when most laws are written for the contiguous Lower 48.

Now specifically what we need is more infrastructure. Other people have stated this that without processing facilities we aren't able to get our products to market here within the state. Especially in the meat industry, but we also need to grow in the vegetable sector and get processing facilities and packing facilities there in that sector.

And then the School Lunch Program I think needs to be talked about a little bit and we need to find a way to get our products, our Alaskan products into the Alaskan School Lunch Program. And that's been very difficult in coming, so we need some considerations there so our kids are eating fresher products, healthier products.

And along those lines, one of our producers thinks they should open a school lunch program to every student as opposed to based on income levels because he feels it probably costs more to look at the programs, the paperwork involved. We know just in our local rural school how much paperwork is involved in determining who's eligible, who's not, how we can pay for it. At least this one producer feels everyone should get a free lunch, and it would probably save money.

Education funding is very important if we're going to address number 1. How are we going to encourage future farmers? It's through conservation education and also we need programs that are tailored for Alaska. Now --

MODERATOR: Thanks, Doug. That's time.

MR. HENRY MITCHELL: Thank you, gentlemen. My name is Henry Mitchell. I'm the executive director of the Bering Sea Fishermen's Association. Our members fish from Bristol Bay up to the Kotzebue area, includes Norton Sound area of the Yukon and Kuskokwim. Most of our fishermen are small-boat fishermen fishing for salmon, herring and halibut. Your programs over the years have been effective, but we need more in the next few years.

I want to give you an example. The Kotzebue Fishery 15 years ago used to have 195 individuals fishing. Those individuals at that time probably made on average a gross of close to \$25,000 to \$40,000 a year. Two years ago there were three people fishing in Kotzebue because the processors had abandoned the area because of difficulties, transportation. Our association went in, refurbished the plant with technical assistance monies that came through the state, some of your programs have been helpful also.

This year we had over 27 fishermen fishing and about 25 local people working in the plant. For the future though, because of the price of fuel and because of the warming nature of the Bering Sea and the climate associated with it, we need infrastructure development and technologically efficient pooling facilities, holding facilities so the quality of our fish can be maintained because you have to hold it in an airport here, then get it into Anchorage.

Additionally, in some cases it doesn't make sense in small villages to build a full-blown fish processing plant. So we would like to see the ability of the rural monies also being used in Anchorage perhaps right at the airport to build an efficient facility there right on the tarmac where good quality fish that's being handled properly and in small rural villages can come right into Anchorage, be reprocessed further, packed properly, and off to world markets.

We sold some of our fish this year in New York to high end restaurants, and we're getting over \$5.00 a pound. And the future could be bright. But the infrastructure developments take lot of money, and so if those things could be included in the Farm Bill we'd really appreciate it. Thank you.

MODERATOR: Thanks, Henry. You know some of you, about half of you have no clue of the Four Acre Group and the organization that I'm the president of. But the other half of you do because at least half of you I know from your faces have been in sessions we've done around the state working with nonprofits, and we work with the soil and water conservation districts. We work with fisheries groups. We work with a lot of you. So a lot of these issues are things we are very connected to.

And getting to the next person I'd like to introduce you to three of our -- we have two boards and Kerry Irwin Brown who's the young lady with Native Arts Foundation is one of those. Mr. Bill Allen with USDA Rural Development is another. The other one is the next person. So who are you, young lady?

MS. DIANE CAPLAN (sp): Thank you, Dennis. Hi. My name is Diane Caplan. I'm president of the Rasmussen Foundation. We're a private philanthropic organization, the largest (audio break) --

-- going around the state is sustainability. We all want to help make good projects happen. Most of us can't do it alone, but working together with one another we can make big things happen.

USDA for us is one of our most significant partners, both in terms of leveraging funding for projects that we cannot do alone, also the cross due diligence that we benefit from with multiple funders looking at a single project and being able to provide technical assistance.

I wanted to give you a few examples of statewide initiatives that we've done with USDA and other funders. Code Blue you may have heard about. It was a statewide effort to equip many of the emergency medical teams, both volunteer and professional, with the vehicles, equipment, telecommunications equipment that they need. That was a \$6.4 million project. It had about \$2.75 million of USDA funds, about \$1.1 million of Rasmussen Foundation funds, and \$2.5 million from our other funders. And that's a good example of leveraging our funds to do something big.

The Council on Domestic Violence Project was an effort to fix up all of our domestic violence shelters. We have about 22 around the state. We work with Wells Fargo Bank, with the Dinali (sp) Commission, and other funders. That was a \$2.6 million project; it had about a \$1.5 million of Rasmussen funds, half a million of state of Alaska funds, \$275,000 of USDA funds, and we were able to divide up that project so that the USDA funds could be directed at rural projects, Wells Fargo and Rasmussen funds at the urban projects, and all together do an efficient statewide project.

Most recently we've been focusing on several goals. One is the idea of a single point of contact for grantees. We know very often a grantee has a project that could be eligible for multiple sources of funding but often they don't know who to go to first, how much to ask for from the different funders. Our thought is, let's get the whole group together and help the grantee assess what their opportunities are and then work together.

Recently we did that very successfully with senior housing on the North Slope. This is an issue that's been of concern to all of us for a long time. HUD was the lead agency along with

Alaska Housing Finance. That's their business primarily, and we were able to put together about \$8 million working together --

MODERATOR: That's time.

MS. CAPLAN: Okay. So thank you very much for being here. We appreciate it. And we appreciate the leadership of Bill Allen and his staff. Thanks.

MS. MELANIE TRYST (sp): My name's Melanie Tryst. I'm with the Matanuska Susitna Borough. I'm working actually under a grant provided by Senator Ted Stevens to look at building a vegetable processing center here in Palmer to process Alaskan vegetables. And one of the things that got Senator Stevens excited about it was the idea of getting local veggies into local schools. So we're just, with the limited fresh market the farmers just only have so much. But if you expand it to year around production, agriculture can really expand in Alaska.

One thing we're looking at is like food security up here is one little piece of that. I've heard that if a port shuts down at Anchorage or Seattle shuts down for one day it takes them 10 days to get back up running to normal operations again. And Alaska has about seven to ten days of a food supply, so just one day of a port shutting down is a serious problem for Alaska.

So having a local source -- we have no commodity warehouses in Alaska. From what I understand there's 3,000 across the nation, not a single one up here. So that would be an extra help. So I just encourage any value added processing. We have some great vegetables up here, berries with really high antioxidant levels, and our growing conditions, we just have some veggies that have distinct differences with colder soils, longer daylight hours that make a big difference. There's been some studies done on that.

And so we wouldn't ever be looking to compete with like McCain or the low priced, high volume like fries you get at fast food, but higher quality, better price for the farmers kind of situation. So thank you.

SEC. CONNER: I had great peas from Met Valley last night. Thank you.

MR. JESS HALL: I'm Jess Hall. I'm a local homebuilder here in Palmer, and presently chairman of the National Association of Homebuilders Housing Finance Committee. As such I've worked with Rural Development, met with Russell Davis the administrator of Rural Development many times, and he's a great guy to work with and really concerned about the housing industry. I also had the opportunity in May to meet with Secretary Johanns and talk to him about rural housing issues, and appreciated his keen interest in our concerns.

I just want to talk about a couple of things we've been concerned about over the years, primarily funding levels like for the 515 Multifamily Program. It's been a difficult situation for the multifamily builders in dealing with the problems that you may be aware of that's affected that part of the industry. We've been really concerned about that. We know there's a proposal that the Department's putting together, and we believe it's out. Our builder members are studying it right now, and we look forward to working with you and Congress to try and get that bill through to help alleviate some of those issues there.

Also in the 502 program, you know the program is really such a good one because it's the only one in the United States that does what it does with the low and the very low program, the abilities it has to deal with issues for low income people in those areas-- there's nothing that HUD has that competes against it. It's the only one in existence. And every year it seems like the funding kind of tends to crank down.

We know the demand for the people that are out there that need that kind of housing is really a key issue, and it's been kind of stuck in limbo, and we've been somewhat concerned as builders that not a lot of attention gets focused on that program in the Department. We know housing is a very minute section of Department of Agriculture, and we understand that. But since it's so unique, we hate to see it kind of end up fading away.

One thing we would like to or I would like to commend you on is the construction to loan for the 502 program wherein a builder can get a construction loan through USDA rather than going to a local lender and doing that. I think that will have some great benefit particularly for small builders in Alaska that have either no funding sources because they don't have a bank locally or they're small builders without a lot of capital behind them to be able to go ahead and build houses for these lower income people.

And also I'd like to thank you and the Department for your help on the Roadless Rule and the Tongass National Forest. That was a huge effort that has really meant a lot to Alaska and particularly our people that live in Southeast, so it was really a key issue for us. Thank you.

MODERATOR: Thank you. I would ask that no one else please stand up for comments. I think when we get through this line we will have as many as we can take right now. The next person up. Yes, sir.

MR. BILL KNOLL: Good afternoon, Mr. Conner and Mr. Rey. Welcome to Alaska. My name is Bill Knoll. I'm commissioner of the state of Alaska's Department of Commerce, Community and Economic Development. We are here today to ask your interest and support in giving greater access to wild seafood in USDA programs. That's the basic part of it.

Alaska is well-known to be a place of energy. Probably that's one of our biggest calling cards back in DC nowadays -- oil and gas. But it may not come as a surprise to people like you that actually our largest employer here is the fishing industry. There's a reason for that, and I've been trying to think of a way to put in a kind of perspective. And here's one way.

We are surrounded, this great land of ours, on the north, west and south by water. About 33,000 miles of coastline geographers tell us, and a scientist once told me a few years ago that about one-third of the world's fish protein swims in those waters between Alaska and Russia. It's a staggering number when you come to think about its importance, not only personally but strategically.

To manage all of that we have a couple of great functions in play. One of them, the state of Alaska's responsibility for on-shore or near-shore and inland waters. We manage very, very well since 1959 our resources.

Secondly, we work hand in hand with the North Pacific Fishery Management Council. We have undoubtedly the best managed fishery in the entire world. There's North Pacific Fishery Management Council. So we're proud of those things.

Why are we here? I'm going to ask if I will at the end three things. But as a setting for it, first of all, thank you. Thank you for the following. I've got some numbers written down here.

Since 1999 approximately \$2 million annually has been earmarked for seafood research and development. Thank you.

Since 1996 USDA purchased over \$79 million worth of canned and poached pink salmon for domestic programs. Thank you. By the way, none lately, so if you would when you go back?

Since 1999 over \$19 million in marketing for international sales efforts. Did that work? In 2004 just last year \$1.7 billion in seafood was exported, not counting our domestic markets. It worked pretty well. You're getting a lot of leverage with those kinds of programs. So thank you. Please keep her up.

Here are three simple things. One, please assign staff to work with us from USDA and help us determine which programs might be best for continuing and expanding, particularly the Commodity Credit Corporation. We'd like to be listed there. We'd like salmon, for example, or wild seafood to be listed there.

With that information why not plan a conference with us at a time suitable for you that would include both state and federal industry people and educational people?

And third, please consider a separate section within the Farm Bill dealing with wild captured seafood.

And that's it. Thanks very much.

MODERATOR: Thanks, Commissioner. You're next.

MR. BILL BURTON: Yes, sir. I'm Bill Burton, and a rancher from Kodiak. I'm, it's kind of a dying breed over there. We have the Kodiak Game Ranch. We used to be Kodiak Cattle Company and we had grass-fat beef and everybody sure liked it, but the bears liked it even better so that's when we started raising buffalo. Now we're raising elk and buffalo and we even have some yaks. And there's a few-odd people there too.

Anyway my problem is, how can -- number five actually. And I have a real problem with the Farm Service Agency Offices closure, the Homer office combining with the Palmer Office. We need as much help as we can in this state for agriculture, and I think by closing these offices you're making it where a lot of the farmers aren't going to be able to get into the offices, and you're going to make where the CED, there's going to be a lot more transportation involved to visit all these different farms.

The problem is, Alaska is a big state, and these two offices, they're about 500 miles apart. And that's a good nine-hour trip two ways -- going both ways. So there's going to be a lot more travel involved. You're just not going to have the participation of the farmers, and you're not going to have the CED go down and inspect the farms, see whether they even can do the conservation programs. Then they have to check them and see that they are doing it.

I just think it's just a bad policy to do so.

Anyway I can't quite match the kilter but that's basically what I wanted to bring up.

MODERATOR: Thanks, Bill.

MR. CHARLES PARKER: Good afternoon, and thanks for being here today and allowing us some time to speak with you. My name is Charles Parker. I'm with Alaska Village Initiatives. And thanks to the preceding comments by our CEO and by our associate, Dr. Wall,

and with all due respect to my many friends and respected colleagues with NRCS I'd be remiss if I did not talk about Rural Development, the role it plays here in the state of Alaska.

I've spent my entire career working in economic development in rural Alaska, and during that entire career the most constant presence and strongest supporter of development in rural Alaska has been USDA-RD. And so it's a fantastic resource. Currently right now just ABI alone we have three programs either recently completed or ongoing in conjunction with USDA-RD staff and funding.

I'll try and briefly mention all three of them. First one we're just starting up actually is Bethel Housing Project where we're working with USDA-RD to provide low income housing in an area with huge problems in the housing area, shortages, poor housing for folks. And also at the same time supporting an industry that's integral to the area on fishing, fish processing. So another project actually, just to reiterate the comments made by Kerry and Eric earlier.

We are actually participating in your e-commerce broadband project. We're not a direct grantee, but we're actually been hired by one of your grantees to provide training. I think that's a fantastic problem. It's absolutely essential for the long-term economic development of rural Alaska to proceed with that program and to complete it throughout the state.

My only concern there is that right now we have several communities that are being ruled out for participation because they have very bad dial-up connections. They cannot do mandatory grant applications on-line. They can't do any on-line banking, they can't do a lot of things that they need that for, especially for e-commerce and education and also to make sure you understand that training needs to be a portion of that project. That's the role we're serving right now.

And some of the folks we're training out there have never used a computer. So we can't expect to drop in broadband and just figure that's going to resolve all the problems out there. But it's a fantastic program, and I think it's going to over the test of time prove to be very valuable to the entire state.

And I'd like to close with, you've already heard some mentions about Project Code Blue. I'll tell you a little bit about Project Code Red which we've in the last three years put 86 fire departments, trained fire departments out in rural Alaska with appropriate equipment, and in just a little over three years; 42 of those were funded by USDA Rural Development. USDA Rural Development was an integral player early on when it was just a concept, pilot project, to be able to put military technology to use and put appropriate firefighting technology out in rural Alaska inclusive with training and certification with our state fire Marshall.

There are hundreds of millions of dollars in state and federal personal assets that are out currently unprotected. We need to continue to protect those lives and those assets that we're putting out there. So I see my red light's up. Thank you very much.

MODERATOR: Jeff. Would you mind me going out of order and letting you be last since you were first? You will get a time.

MR. JOHN HANDLIN (sp): My name is John Handlin. I'm from the city of Nome, population 3,500. We're in the Bering Strait region, about 18 villages surrounding our area. And because of the high airfares just getting here to Palmer for this meeting, \$600. I could go to Washington, DC for \$700 from here, and it would cost at least that for some of the villages in our area to come and talk to you. So I'm going to talk on their behalf as well.

My comments will be directed towards number five primarily. There is farming -- not farming and agriculture necessarily in the surrounding communities to us, but the people do live off the land. And over the years they have always been and continue to be good stewards of those natural resources and utilize those.

But in order for them to live their lifestyle there, they need some very basic infrastructure in order to function. And constructing this basic infrastructure in Alaska is extremely costly, well beyond the means of these residents. While they're resourceful and talented, often because of the sparse populations they simply can't afford to construct these necessary infrastructure items or maintain them without the assistance of folks like USDA.

Nome has appreciated the partnership with USDA for over many years in addressing basic water and sewer needs in our community. We're fortunate to have a larger population base so that we can actually maintain what is built and the continuation of provisions in the new Farm Bill allowing USDA to partner with rural communities by investing in this infrastructure is vital to the basis assistance of rural Alaska.

Without it, residents will continue with substandard infrastructure, the construction of which is urgent to ensure healthy communities, especially their physical health but also their mental health as well.

There are federal initiatives and investments being done now to expand technologies in all areas of rural America, and that is important, and we welcome those in our communities. Availability of high speed Internet not only provides access to the world and e-commerce as we've heard, it also helps with telemedicine programs and the like that ensures the health of our communities.

We urge support these programs and the expansion of these initiatives. We respectfully submit that investment in basic infrastructure needs such as water and sewer must not be overlooked or take second place to technology.

I had the opportunity to travel with Under Secretary Dorr into some of the remote and impoverished villages here awhile back and heartfelt appreciation of the villagers in getting the very basic fire cart as was referred to by the previous speaker under the Code Red program was evident in their faces.

Our people don't ask much, only don't want to be forgotten by those in the Lower 48 who often ask us, what country are you from? when we call. And we would welcome and urge further visits to rural Alaska, and we want to thank you for eliminating most of these from my community.

[Laughter]

These still exist in other rural communities. Maybe they can be removed as well.

MODERATOR: No one else did show and tell.

[Applause.]

MODERATOR: Thank you.

MALE: It's still a better deal to come here than Washington, DC.

MR. TODD PETTIT (sp): Hi. My name is Todd Pettit, and I'm a hay producer, bison and elk rancher, and I'm also the next generation.

My family's farmed in Palmer for the last 50 or so years.

I would like to specifically talk about number one, three and four. I am under contract right now with NRCS and Soil and Water Conservation and benefiting through some of their cost share programs.

And I can't begin to tell you how hard it is to be able to farm in this day and age as a newcomer and not have the ability to improve what your family has started. And unfortunately most -- well everything falls down to the bottom line. And the environment usually takes a second to putting food on your plate.

And by being able to work with these different types of programs, these nutrient management programs, EQIP, it's given me the ability to not only invest in the property by making it a better yielding farm, but I'm also contributing to the environment. And I think it's a no-brainer to continue these programs because it helps everybody. And it's something I definitely wanted to touch on.

I'd also like to touch on the fact that we started you know basically a niche deal with alternative livestock, the bison and the elk. And I see a great future in those animals, specifically the bison industry itself, especially in this state. It's an animal that is definitely suited for our climate. And the border is posing an extreme problem to us -- specifically not being able to bring in breeding stock, specifically by keeping it on the BSE monitoring program.

It will cripple us. The government doesn't recognize bison in any of their BSE surveillance programs, but yet they are still putting a moratorium on the border. And without -- we're an island. You know, I mean that's what it comes right down to. And by not being able to bring in high end animals, we're not going to be able to further industries in the state that will blossom, that would do well.

And I think that's all I have to say for right now.

MODERATOR: Well, thanks for speaking for the younger generation.

[Applause.]

MR. JOHN CONES (sp): Gentlemen, my name is John Cones. I'm here for the city of Palmer, and the first thing I'd like to do is officially welcome you to our community.

And my remarks will be primarily about the city of Palmer and the greater Palmer area. I'm going to touch a little bit on all of them I think except for global marketing. I may do that too in a little bit.

But item one, unintended consequences. In the last three years you've probably heard this, there's been a great shift in population coming and discovering if you will the area of Palmer here. And consequently farmlands are being sold off to make way for subdivisions. And subdivisions are a good thing, you know, and housing's a good thing.

But the efforts that your organization does to preserve farmland and set up trusts and this type of thing really needs to continue to be strengthened, I believe, to hang on to that heritage. It is our very heritage.

You know, my folks came in '47 on the Homestead Act. And the city of Palmer and the Chamber of Commerce have started cataloging and inventorying artifacts for placement in a museum that's going to show the processes that were used in early pioneering and homesteading days and how it got from the farm to the (matineed) (ph) property over here for processing and distribution, and now to the public.

I think anything we can do to restore this property over here, the matineed property, as an educational and a useful facility, I think is really going to help get the message out to the rest of the Alaskans or the community as far as the importance of farming and production in the other various areas you deal with.

We are working on creating a museum, and so hopefully that will also come into a historical district that we're going to be setting aside and keeping developing and putting money into that, and any help that we can get along those lines is going to be very welcome.

And I really think that taking the next generation when we talk about it -- I think I'm in the third or fourth and then we go on down the line -- but to keep that aware and in front of people about how important that this is to the state and to the nation as a whole.

And I think in terms of creating new programs, things like this, we do want to maintain and sustain the programs that we have and the farms that we have, this type of thing, before creating new things. We want to make sure that the things that are already in place don't go away as a result of that.

And finally, I'd just like to say thank you, you know, very much again for providing this venue for everyone. I'd also -- I don't know if you guys had anything to do with it, but I'd like to thank you for Bill Allen because I can tell you that --

MODERATOR: I'm going to have to make you be quiet on that one. I'm sorry.

MR. CONES: That's okay. I got a sense of humor. You have to have a sense of humor. But yeah, we feel very fortunate that we have a gentleman of his caliber that's running the program in the state, so thank you very much. Appreciate having you in town.

MODERATOR: Jeff.

MR. JEFF WERNER: As many Alaskans do, I wear many hats, and I'll leave my FFA hat behind for a minute. But I'd also like to represent all the young Alaskan agriculturalists. I grew up in a community not too far from here, had about 850 people there. Today we still are considered a poverty level community. And at the same time, we're not real Alaska. And I would like to see USDA make a definite definition on what "rural" means, because rural Nebraska and rural Alaska are two different things. But here in Palmer we think we're a metropolis, but we're turning down or being turned away from a lot of USDA money that's being taken advantage of in other programs; whereas, Alaska is from the West Coast to Canada, and it should be one rural Alaska.

And according to Ted Stevens, anything north of Seattle is rural Alaska. But there's a lot of money out there, \$3 million going to Alaska and Hawaii that our agriculture communities cannot take advantage of because we're not rural Alaska. We have a road. And as the young Alaskans, I'm currently involved, I do take advantage of a lot of USDA money, the university. Got a great project going in controlled environment agriculture where we're developing geothermal and waste heat production systems for greenhouses.

And we're looking at encouraging Galena, Aniak, Nome, Kotzebue, hubs that have huge generators, to do their own local tomato production. You know, when you're paying \$6 a pound for tomatoes, that's insane. They're coming from Mexico, they're getting a nickel apiece for those things, and we're paying \$4 or \$5 apiece for the same tomato. And why can't they be grown locally year-around in our local communities, providing opportunity?

So at the university we're actually pouring the pad for the greenhouse floor this week at (Chitina?) Hot Springs, and we're looking other places throughout the state and doing the same thing as a teaching opportunity to bring young people, show them how to do it, teach them how to do it, and send them back home.

But at the same time I'm also involved in a seed potato program where we grow -- or disease-free seed as a commercial grower. It goes to China. And our fields are disease-free. We're fortunate not to have the blight up there -- it's actually North Pole by the (unclear). You might know where they're at. And they'll be dug up here in a couple weeks and headed for China and Taiwan. There's a huge opportunity throughout the rest of Alaska for doing such a sustainable agriculture.

And I'd also like to make a definition or ask USDA to make a definition of what is "sustainable agriculture," and what is "subsistence agriculture?" Two different things. There is no such thing as subsistence agriculture. That's gardening. Sustainable agriculture is a productive farm that's continuing year over year that's making a profit.

And when I read the Farm Bill, the current one, it's not defined. And when it gets to Alaska whoever may be the granting funding person, they've defined sustainable, and it cuts us out of the local communities where we are farming.

Delta Junction's got a lot of young people that would go into farming if they could have access to some funds to make that happen. Same with Palmer. Anchor Point's another one. There's a whole bunch of people down there that can't take advantage of our programs because we're not considered rural. But at the same time (audio break)

MODERATOR: Lieutenant Governor Loren Leman. Would you like to make a comment, please? We are finished with public comment other than with the lieutenant governor.

LT. GOV. LOREN LEMAN: I hate to step in front of somebody who was coming to the microphone, but let me just say, Welcome to Alaska. We are so pleased to have people who normally -- you weren't normally inside the Beltway, but you are now. And to have you come out here and visit with us in Alaska and meet some very fine people.

People in Alaska who are involved in agriculture and fishing are some of the finest you're going to find anywhere. They're the salt of the earth. And these things they're talking about are very real issues, and we appreciate you coming and being willing to listen.

Agriculture is really important to Alaska. It's a small part of our overall gross product, but it's a really important part, and I believe if we support it -- which we are with putting some really good people in place like the Director, Larry Devilbiss who I know you've met -- and bringing all these people together, that it's going to improve and get even better.

So thank you so much for listening, and I appreciate the folks here being willing to step up and speak up.

And let me just say that the folks that you have here in-state at USDA and the relationship we have through the Denali (sp) Commission, arrangements like that, are really producing some great results. So thank you very much.

MODERATOR: Okay. Now we will have time for a few questions from the floor that the deputy Secretary and under Secretary can respond to.

Ma'am, we'd already closed off to public comment, I'm sorry. But if you have a question it would be fine.

FEMALE: I'm not very familiar with the programs you have -- agriculture and (unclear) tribes, (unclear). (off mike)

SEC. CONNER: I'd be happy to respond to that and give you a little more detail. We actually at the Department of Agriculture provide funding for the School Lunch Program so that local schools can go and procure commodities for their lunch program.

But in addition we purchase a substantial amount every year of commodities that are actually distributed through something we call Section 32 funding. Section 32 dollars come from customs receipts that come to USDA that we in turn then use to purchase commodities that are available for distribution through the School Lunch Program and other humanitarian feeding programs that we have.

And that's hundreds of millions of dollars worth of commodity purchases every year.

Now in the past we have purchased some salmon with those funds. I think as one of our gentlemen noted earlier, probably not enough from your vantage point, but nevertheless it's been a substantial amount of purchase.

I think we need to continue to evaluate this to see how we can help because I know particularly with certain segments of your salmon industry we've learned in the last 24 hours there is a lot of product coming in and prices are low. And this is what Section 32 is for is to take that period of time when prices are very low for these commodities, purchase them, help the price of the commodity but then at the same time use that high quality product to distribute through our feeding programs including School Lunch. It's sort of everybody's a winner kind of concept.

And that's what we need to evaluate, and certainly that's a point I think I've heard throughout the day today.

MODERATOR: If you have questions just come up to the mikes like the people that were making comments.

MR. JOEL DAVIDSON: Hi. My name is Joel Davidson. I'm with the local paper, The Frontiersman. And the Farm and Ranchland Protection Program has gotten a lot of attention out here, and there's several people who commented today. The major problem I've heard from farmers and people working on this though is coming up with the matching funds. I'm wondering if that's a problem nationwide, if that matching portion of the Farm and Ranchland Protection has become a problem, and if so how will that be addressed in the 2007 Farm Bill versus the 2002 Farm Bill?

SEC. CONNER: Well, it's a great question. And let me just say that the Farmland Protection Program is a very popular program. States like Pennsylvania, Virginia, Connecticut,

more East Coast states where you know the growth has been tremendous, they're relatively small in terms of their agricultural area, have used this program successfully. I mean there is a shortage of dollars available. So the direct answer to your question is, yes, states have been willing at this point to come up with some of those matching dollars that are required as a part of this program.

Frankly, this is one of the surprises that's come out of this forum in Alaska. I would not have expected to come here with a state of your size and hear comments about Farmland protection. This is news to me. This is why we're doing this. It's why we're out here to hear the local concerns because frankly that would not have shown up on our radar screen back in Washington as being something that you're interested in. So we're very anxious to use that in our mix.

We are proponents of the Farmland Protection Program and the easements that are associated with that. So we need to evaluate that to see how we can make that work for everybody that has this kind of problem.

SEC. REY: In many states where the program is experiencing a high demand and a high usage, it's in part because of the development of land trusts, nongovernmental organizations that help organize some of the matching money. In other states, the counties have passed bond levies. I was just in Montana last week in Gallatin County where the citizens of Gallatin County have voted to assess themselves through a bond levy to develop the matching funds and have bought easements with us on roughly 40,000 acres of land in the Gallatin River Valley which is a blue ribbon trout stream.

So those are some of the mechanisms that have worked in other states. One of the things we'll have to do as we look at the 2007 Farm Bill is see if we can expand those and work with you here to see if there are some of those tools that can work here as well.

MODERATOR: Yes, sir.

QUESTION: I have a question concerning country of origin labeling. To me -- I mean that affects agriculture everywhere in the United States. It really affects all parts, all facets of agriculture as far as anything coming in. It's sold at the same price of our agriculture causing a lot of direct competition. I'll use my industry. I raise elk and buffalo. They sell elk here in Palmer, in Anchorage. You can get it for like \$3 a pound. I can't buy and raise and fence an elk farm for that kind of money. It's not even elk. It's actually red deer from New Zealand. You know, if these things would be easier notified, if country of origin labeling was a law, it was a law, then they pretty much discarded it by not funding. If you could?

SEC. CONNER: Yeah. This was mandatory country of origin labeling was included as part of the last Farm Bill passed in 2002. Congress has given us further direction on that law, I believe three additional times since then. In the last appropriation bill they passed we were instructed not to do it for meat products, fruits and vegetables, those kind of things, but to have it for seafood. I believe Mark, we have a mandatory program effective I believe this past April for seafood. I'd be interested if there's any feedback on how that is working. It's just getting started. I know it's not as broad as the industry has wanted in terms of the canned salmon and those kind of products, but we are getting that started to try and sort of move it along.

I don't know what the future is going to bring on mandatory country of origin labeling. There is legislation again pending before Congress that would make it voluntary forever. And I don't know what is going to happen. We obviously will follow the law and do whatever we are

required to do as a part of that. But I think it's important for you guys to note that it is in effect today for seafood products.

MODERATOR: And we will take these two questions, and that's all the time we'll have.

QUESTION: The question I've got is a little bit touchy and I hope, I don't want to cause problems. But I've been a county committee member for years and years and years, and the question is, this TA thing with the fisheries and everything --

And I come from Kodiak -- I fished, I crab-fished and I also salmon-fished. And I'm surely not against the fishermen getting whatever help they can -- because they need the help. So do the farmers.

My problem or question is, is there's a tremendous amount more fisherman than there are farmers in the state. And I can see where the county committees could be taken over completely by fishermen. And the farm programs could be not done away with probably, but they might go into disuse or whatever.

And isn't there a fisheries program under the FDA or whatever that something like this could be put under instead of under the FSA which is a Farm Service Agency, which could become the fishery service agency if things was to transpire that way.

And again, I'm not trying to cause problems because I think the fishermen need all the help they can get too.

Is there under the USDA or whatever, is there some fishery programs that some of this could be put under?

SEC. CONNER: Well, I appreciate the comment, and I'm not -- I think I recognize your general point, although I'm not certain of the exact question.

Let me just say, I think the Farm Service Agency, and we've heard some good testimony today I think supporting the Farm Service Agency -- they are very, very good at reaching out at the local level. So I personally would have no problem using the Farm Service Agency to administer both a commodity program which is sort of their more traditional role, the conservation programs, but as well any future efforts that may be necessary on fisheries types of issues.

Again, these are very, very locally driven people and programs, and I think they've got their pulse on what's going on at the local level. So I'm not saying we wouldn't need to adjust and have some additional expertise on this, but I think the Farm Service Agency is the best way to administer locally as opposed to among people who may not understand the local concerns quite so well.

SEC. REY: And there is no comparable program under NOAA (sp), nor does NOAA have the sort of field delivery structure that USDA enjoys.

QUESTION: First of all, I want to say thank you again for coming to visit us. And on behalf of our membership, the Yanks (sp) Corporations and Tribes, this partnership with USDA has been absolutely critical in their survival.

As a case in point, the Code Red system was instrumental in taking Alaska off the top three fire loss states in the nation. As a direct result of this program, Alaska won a national

award for being ranked 30th last year. So going from the top three to rank 30th in fire loss is very impressive. And my hat's off to you and the agency for helping us reach that important goal. We reached 86 villages. We need another 60 villages. We're currently on the list hoping to participate in the program.

You touched on a particular point and that was people who know the territory. And as you can see from your day here, this is quite a bit different than Nebraska.

SEC. CONNER: You guys aren't going to let me forget this.

[Laughter]

VOICE: We love you anyway. The challenge for us and particularly with NRCS, we are struck with that apparently it is policy that every four years an individual has an opportunity to take an appointment. That typically is an appointment outside the state, which means we get a new face and we have to begin the education process all over again. I'm thrilled that Bob Jones is here. We're going to be kicking and screaming to try to keep him four years from now, but we are hoping --

And the question to you, is that an agency policy or is it possible that we can keep these people a little longer so that we don't lose that investment we have in their education?

SEC. REY: There is no agency policy in terms of when they need to transition or move on.

VOICE: So we can keep them forever?

SEC. REY: You can keep him as long as he's happy and as long as you're happy with him.

SEC. CONNER: It takes awhile to educate those guys from Alabama too. You've got to --

MODERATOR: He does talk funny.

VOICE: He's a quick learner. Thank you so much.

MODERATOR: Okay. Any closing thoughts?

SEC. CONNER: Well, yeah, Dennis. First, thanks again. You did a great job of keeping us on schedule, and let's give Dennis a round if we could for his --

[Applause.]

Let me just close with a few thoughts. Obviously there's a lot of information here that needs to be digested and reviewed and analyzed and it's one of the reasons we are keeping a formal record here because we need to go back and really sort through these comments carefully because they were just great comments.

But I just wanted to highlight a few. I've already noted the Farmland Protection issue. Again this is a big surprise to me, and I would not have anticipated this. I just appreciate the points that have been raised on that issue, and we're going to go back and you will hear more from us on that.

I just as well had to note the comments on rural housing, sewer and water loans, the vivid demonstration we had of the importance of those kinds of programs as well. And I can't walk away without taking special note of the role these play in rural Alaska.

As well the comments about broadband. And this is something that is near and dear to the heart of the President of the United States. He has stated before he leaves office he wants high speed access to all our rural areas. This is a big undertaking, and hearing the testimony today it makes me appreciate the fact that we do have a long way to go on this. But it's clearly our policy.

The last Farm Bill really was the first Farm Bill that ever addressed broadband issues at all. It put a lot of money into this program. We need to consider this carefully in order to meet the President's goal of broadband access, high speed access in our rural areas as well. So this is going to be an important factor in the new bill as we look at that. And I just again appreciated the comments on that as well.

Mark and I both commented back and forth several times on the conservation programs and the support that you guys have for those programs and the popularity of programs like WHIP and EQIP in the state of Alaska. And this is again perhaps a little bit of a surprise to me. I think about EQIP and those kind of programs and I think Midwest region of the U.S. more than I think about Alaska. So this is an important consideration for me as we think about a Farm Bill for all 50 states and not just a handful of states in the center part of the country.

Big deal. I want to also comment as well, I hear the message on the Farm Service Agency. I think I counted I believe six or seven people testified about the need to make sure that our Farm Service Agency continues to have that local feature, that local input, not someone that you have to drive halfway across the state, which is a long way, in order to give your input to or to get some advice from. I understand that. I have heard that.

We haven't really announced anything on this, but apparently I think word is getting out of some of the things we are contemplating here, and I just assure you that we're going to hear those comments and go back and take a look at this as well.

So those are just a few things I noted here as we were going through. All of the comments were just excellent. I appreciate the time that each one of you have taken to just really highlight for us the unique features of the state of Alaska, of your agricultural economy, of your fishing economy.

And I've heard that message loud and clear as well of the importance of that industry to your state. And again, we're just, we're going to sort through all of this. The comments were terrific. And it's really going to be a great help to us as we try and make this Farm Bill a good Farm Bill for all of agriculture, for all of rural America and for all segments of the food and agricultural system in this country.

So thank you all very, very much.

Mark?

SEC. REY: As we said at the outset, we are not here to do a lot of talking. I took four pages of notes on your comments. As I said earlier, as part of serving for the United States Senate I had the opportunity and have had the opportunity to come to Alaska many times over the last 10 years.

And since I took this assignment, one of the opportunities I've had is to bring colleagues from the Department of Agriculture who've never been to the state to see it with me, in their case for the first time.

This is the third trip I've taken with USDA leadership in that regard. It's always fun to bring new people to Alaska to show them the superlative resources of the state. Among those resources are you, the people of Alaska. So thank you for your thoughts and for your hospitality today.

[Applause.]

MODERATOR: Again on your way out if you still have comments, please leave it at the table or at the website. And thank you again for coming._